

Local Taxes Advisory Task Force Public Meeting Minutes

Date: 12/20/2023, 1:30-4:30 p.m.

Task Force Attendees: Commissioner Paul Marquart (Chair), Members Lisa Bode, Pat Dalton, Jenny Max, Jill Sims, Michael Williams

Wilder Attendees: Heather Britt and Ananya Matewos

Agenda

- Welcome and check-in (Chair Marquart) *(5 min)*
- Expert Panel Department of Revenue Q&A *(25 min)*
 - Task Force Members should bring any outstanding clarification questions for each Department of Revenue Unit
- Public Testimony *(45 minutes)*
 - 5 minutes per testimony
 - No Q&A between testifiers and task force members
- Work Group Activities *(50 min)*
 - Finalize criteria required for projects and regional benefit
 - Finalize authority/entity structure at each stage of tax cycle
- Stakeholder Role Play *(50 min)*
 - Wilder will review Task Force recommendations thus far in a synthesis slide
 - Task Force Members to identify gaps in the current proposed pathway – each member will assume the role of a different stakeholder and role play the process
- Debrief *(5 min)*
 - Follow up with Department of Revenue Panel and Parking Lot
 - Adjournment (Chair Marquart)

Notes

Welcome and check-in

- Audel Shokohadeh: Tennessee Warning Notice Reminder

Expert Panel Department of Revenue Q&A

- No questions

Public Testimony

Some testifiers gave testimony only by letter. For copies of all written testimony received, go to [https:// www.revenue.state.mn.us/local-taxes-advisory-task-force](https://www.revenue.state.mn.us/local-taxes-advisory-task-force) and select the [Testimony link](#) for this meeting.

- Testimony started at 2 p.m., 5 minutes for each testifier
- **Fred Nicely, Senior Tax Counsel, Council on State Taxation**
- Provided written testimony in November. Not here to oppose local taxes, not a “no” tax organization, promote equitable taxation, and are focused on improving the administration of Minnesota’s local taxes. 500 members, half are from Fortune 500 companies. Central administration of local taxes makes collection and compliance easier for everyone. Looking at registration, tax filings, tax payments, refunds, auditing, and office appeal if needed. Identified issues on expanding lodging taxes and to the extent possible central administration would be helpful. Need to be able to identify the laws by looking at local ordinances if there isn’t a state mandate. Posting of local taxes on the Department of Revenue website would be helpful and provide notice when there are changes to local ordinances. Recommend having a uniform tax base across the state. Minnesota does well with streamlined, which makes it easier for businesses to comply and collect taxes. Ensure there are reasonable tax reporting requirements to make sure it isn’t onerous to file a return. If a taxpayer is audited, they may need to provide back-up information, but the returns shouldn’t be all comprehensive as that is the purpose of audits. There should be a statute of limitations for refund assessments at local level. Interest rates and refunds should be equalized for tax due. Minnesota doesn’t have jurisdictional boundary issues, but there are some states that have 1,000 jurisdictions that create issues with sourcing items. Taxes and fees need to be administrable, adequate time needs to be provided for businesses to update systems to collect taxes without extreme changes to their current systems. Modernizing the filing and payment systems to be able to file electronically and make payments is important.
- **Michael Pagano, Dean Emeritus, College of Urban Planning and Public Affairs, University of Illinois Chicago**
- Founding director of the Government Finance Research Center at UIC. Retired last year after 42 years in higher education and after writing 31 annual reports for the National League of Cities called City Fiscal Conditions. Testimony is a synopsis of an article published in Government Finance Review.
- *Summary of written testimony read during meeting.* The type of tax a city relies on (property tax or sales tax) affects where it invests and develops within its limits. Property tax reliance leads to investments in areas boosting property values (typically the central core), while sales tax reliance incentivizes development at the city’s peripheries to attract shoppers. Investments in infrastructure or development areas correspond to revenue collection. For property tax-dependent cities, investing in downtown infrastructure increases property values and tax receipts. Conversely, sales tax-dependent cities benefit from investing in areas attracting shoppers, even beyond city borders, due to a broader consumer base. The objectives of

fostering economic growth and generating revenue may not always align. A developer might see high potential in an edge-of-the-city location, but if the city relies on property taxes, the revenue may not match. Similarly, a downtown area might attract developers, but a sales-tax-reliant city might prefer investing at the city's edge.

- **Evan Vogel, City Administrator, City of Cambridge**
- *Slide deck provided as testimony and presented during meeting.* Local sales tax approved by Cambridge voters by referendum in Nov 2018 and special legislation approved in 2019 (62% of voters in favor). Critical funding source for projects of regional significance that doesn't create an undue property tax burden on the residents of Cambridge. Projects authorized included new public library, updates to Sandquist Park, connects for Cambridge-Isanti Bike/Walk Trail, and five road projects. Public library was completed in 2020 within \$8,000,000 authorized for sales tax funding. The first of five street projects were completed in 2020 within authorized \$2,700,000. Sandquist Park updates completed in 2022. Authorized for \$750,000 but actually cost \$1,080,000 due to inflation and placed burden on taxpayers. Currently working on the second road project with MNDOT. Initial estimate was \$1.2M for local sales tax funding, now it's estimated to be \$4.95M, which is a significant funding gap. Bike trail estimated at \$1.2M is expected to not be sufficient as well as additional road projects due to construction cost inflation. Inflexibility in the local sales tax laws do not allow cost savings on one project to be applied to other approved projects. Recommends indexing for inflation of amounts previously approved by State legislation and voters. Additionally, please consider changes to allow reallocation of authorized amounts among existing approved projects would be helpful in managing volatile economic conditions.
- **Dave Callister, City Manager, City of Plymouth**
- Plymouth doesn't have a local sales tax currently. 35 cities have authorized local sales tax including Minneapolis and St. Paul- no suburban city has had local sales tax until 2019. Similar sized cities to Plymouth have collected local taxes (e.g, Bloomington, Edina, Maple Grove). All cities should have the opportunity to collect local sales tax and allow for a wide variety of city needs (i.e. general fund, convention centers, arenas, water sewer, roads, transit). Plymouth has 81,000 residents (7th largest city in state), and has a diverse population that serves beyond borders, an economic engine that provides 55,000 jobs locally. It is unfair to Plymouth residents to pay local taxes in neighboring cities when local taxes are not collected in Plymouth to offset cost. Minneapolis, St. Paul, Mankato, and Rochester have been collecting for last 30 years, support them and ask that all cities be given the same authority. Plymouth residents pay .5 cent to Hennepin County and .5 to Metropolitan Council and receive little to nothing in return. Plymouth has the 4th largest economy behind Minneapolis, St. Paul, and Bloomington, but doesn't benefit from LGA. Want to share in success by reinvesting in amenities and infrastructure, and recommends imposing .5 cent tax for all cities to diversify revenues and maximize flexibility for local improvements. Eliminate the moratorium if not in 2024 by 2025. Cities prepared to submit request and then the door was closed. Treat all cities fairly, equitably and provide opportunities to all of them.

- **Jeff Dahl, City Manager, City of Wayzata**
- The Task Force has not discussed the food and beverage sales tax much. Understand there are approximately a dozen communities across state (destination locations by an amenity) that have food/bev specific taxes. Wayzata is similar to Detroit lakes with Lake Minnetonka, a unique community that provides services for people coming in. Population is less than 4,500 people with over 5,000 that work in the city- more employees come in to work than others. 20% of the people that dine in Wayzata are not from Wayzata. Most people coming in are from metro area and do not stay overnight (only have 80 hotel rooms). As a regional destination, city services and public infrastructure investments are greater than they would be otherwise, and need non-residents to help pay their share. Currently, there is a burden on local taxpayers. Recommends a specific tax for food/bev based on experience and enjoying amenities to meet regional demand. This would help pay for services provided versus retail sales that are being used by less regional customer base. Need more flexibility to align with public works, public safety, which currently creates a significant impact on city infrastructure and operations. Local autonomy and responsiveness will allow tailored tax policies to meet their unique local needs. There aren't many communities like Wayzata in or outside the metro. Requests more discussion on food/bev tax and engagement with businesses and residents to vet and support it.
- **Dennis Genereau, County Coordinator, Carlton County**
- Carlton County isn't unique in how it handles county business. Since 2013, working to bring a justice center including a jail to the county. Received \$2M to study issues including creating a female program in MN. 96-bed facility, 120,000 square feet. Attended trainings through the National Institute of Corrections in Denver, worked with Minnesota Department of Corrections to understand requirements, and formed justice group with Winona County and others that are part of the justice system. Looking at how facilities have changed/evolved from linear to how they are to be structured. Know it to be true that people will be back in our community, and goal is to try and help these individuals rehabilitate so they don't go back. Justice center facility with jail, courts, and offices are important tools to make sure that happens. Focus on improving program space including how we deal with people that come in and out (e.g., friends, neighbors, family). Proud of project and all are welcome to come visit the facility.
- **Michael Funk, City Manager, City of Minnetonka**
- There has been a negative impact due to 2-year moratorium on new requests for local sales tax. Echo Dave Callister from Plymouth regarding planning stages of community and regional projects. Development of Opus Station for LRT (i.e., community park and other amenities considering geographic area and regional riders), and The Marsh (a wellness center)- both projects over \$60M. Trail and side walk system- over 100 miles that connect to regional trails. Identified \$80M in additional investment to strengthen those connections and promote movement, walking, running, and biking. Trails are really important and investment is significant. Taken a deliberate approach to project planning, preparing to engage in conversation with city council and community about potential funding sources outside property tax, including a local sales tax. The the 2-year moratorium handcuffed us, negatively impacting the project progress. Paralyzed unable to proceed with discussions and delaying adds project

cost. Minnetonka has a population of 54,000 with 85,000 during the day (Ridgedale Mall). There is a robust tax base and combination of commercial and residential distinguishes us from the rest of cities across the state. Minnetonka does not receive local government aid, and there are fiscal disparities. Request Task Force consider city eligibility, role of LGA in aid calculations, and fiscal disparities. Anything done in Minnetonka falls squarely on property tax. Lift moratorium and resume conversations as a means to fund essential projects. City council hasn't talked about it as we can't have conversation with the moratorium.

- **Matt Massman, Executive Director, Minnesota Inter-County Association**

- Represents 15 counties. At September testimony shared trend data of parallel of declining state aid, expanded use of local sales tax, acceleration of requests in last decade. Not all areas have the capacity and desire to generate local sales tax. Local taxes have often been pursued when preferred state options have not been adequate. Transportation revenue system required by law is grounded in a general revenue policy rationale. 297A.993 set those aside. Unfair to cap the authority for counties. Parallel with needed infrastructure for counties, especially those that administer criminal justice systems. Existing facilities have aged and state has recommended to replace them. Counties have wanted to do temporary housing for mental health. Public safety does benefit everyone.

- **Representative Steve Elkins (MN 50B)**

- Task Force is struggling with issue to define regional. In Twin Cities there is a formally defined Parks/trails system. In order to qualify a park with regional park system, sponsoring park districts have to do a survey every year. If you want your park to stay a part of that system, you have to have a % of visitors coming from outside the city. Metropolitan Council is a role model for other regions as well. Road projects- MNDOT has a database of traffic flow information. MNDOT can tell a city what % of traffic originates outside of a city as well. Use those as role models. Worried about the negative impact of land use patterns when cities are dependent on local sales taxes. *Summary of written recommendations provided.* Projects should demonstrate regional impact, with at least a third of the users residing outside the city, akin to the process for inclusion in the Metropolitan Council's Regional Park System. Local sales should be temporary and solely for financing regional projects, disallowing extensions or expansions and include a waiting period of 10 years after a local sales tax has expired. Prohibit financial incentives for cities with local sales tax to attract new retail (i.e., TIF, Tax Abatements, etc.). Also recommends shifting from semiannual to monthly property tax payments to alleviate taxpayer sticker shock by spreading payments over 12 months and facilitate monthly disbursement of funds to entities for better cash flow. Introduce a Land Value Tax (or Split Value Taxation) to encourage more efficient land use and discourage speculation, allowing cities to experiment with this concept. Proposals aim to manage fiscal zoning, promote efficient taxation, and ease financial burdens for both taxpayers and local governing bodies.

- **Kelcey Klemm, City Administrator, City of Detroit Lakes**

- *Testifier not present. Summary of written testimony provided prior to meeting.* Detroit Lakes utilized local sales tax to fund critical infrastructure like a new police department. This tax

revenue from outside visitors helps offset costs for services and facilities provided not only to residents but also to the surrounding region. There's a disparity in tax rates between the city and neighboring townships, where high-value lake properties enjoy lower tax rates while benefiting from the city's facilities and services without contributing proportionally to its costs. City taxpayers bear the burden of providing infrastructure and services that benefit the broader region without receiving commensurate financial contributions from those outside the city limits. While local sales taxes may seem regressive, it eases the burden on lower-income residents by providing essential services without solely relying on higher property taxes. Suggest streamlining the process for local sales tax approval by providing clear guidelines and a defined list of eligible projects. The aim is to create consistency and transparency in the approval process while limiting the tax rate increase. In Detroit Lakes, local sales tax efficiently funded essential infrastructure, saving taxpayer money and contributing significantly to community development without negatively impacting local retailers.

- Chair Marquart: Invited others to testify. [No additional testifiers.]

Work Group Activities

- WR Matewos: Overview of what we will be working on today. Developed concepts, priorities, evaluation of guidelines, and proposed amendments. Moving to recommendations. Will use Fist to Five Approach for decision making- 3 and higher will mean it is approved, but Task Force members will be able to contribute to the report with supporting documentation. At end of report, there will be an appendix where Task Force members can include their reflections, summarize key ideas, etc.
- Shokohzadeh: Consensus on report, but you will have the opportunity to contribute your own perspectives in letters.
- WR Matewos: Task Force members will need to provide their letters by January 2nd.
- Member Williams: We don't have anything to react to in writing yet. This is our last opportunity to hear from public. When we started process, we expected to have a draft report for public to react to, and we won't have full consideration from stakeholders.
- WR Matewos: There are items we still need to discuss. A report will be shared with Audel the week of 12/25.
- Member Williams: Concern is that we won't have input from others outside of the Task Force.
- Chair Marquart: I have talked to the 2 task chairs, and 2 task leads, asking to push the Task Force timeline from January 15 to February 2nd. This might impact the schedule. We are in a really good spot. The last few meetings have gone well. We can get it done by 1/15, but will have a better product if we have more time. Feb 2nd is still 10 days before the Legislature starts. I need to hear from all 4 leads.
- Member Dalton: Concerned about writing letters when we make decisions on January 3rd, could change what I would want to put in a letter.
- Chair Marquart: Let's put the January 2 date on hold.
- WR Matewos: It would be nice if you members could provide a draft of the letter by January 2nd.

- Member Sims: Would it be helpful for the Task Force members to provide a letter together requesting a later deadline?
- Chair Marquart: Good idea, but not necessary. The first meeting didn't occur until after the date that was in the statute. I will ask if they would like an official letter.
- WR Matewos: How could we get feedback from the public?
- Chair Marquart: Excellent suggestion, maybe provide a draft for them to respond to.
- WR Matewos: Review of principles and if there are changes in the order they are presented.
- Shokohzadeh: This is on page 5 of the handout sent previously.
- Member Bode: I suggest we move Principle #4 to #1, Principle #2 stays the same. Can give thoughts offline as well.
- Member Max: I like Member Bode's suggestion and potentially keeping Principle #3 on my list on regionality. Can share my preferred order.
- Chair Marquart: We will get these updated and sent out.
- Member Dalton: Homework for tomorrow, everyone do their ranking on Principles.
- Chair Marquart: We will finish on Principles and have a homework assignment to put them in order.
- WR Matewos: We will focus on the language then. [Completed language review of Principles].
Generally agreed upon recommendations:
 - No changes should be made to the current law under Minn. Stat. 469.190 regarding the imposition and use of local lodging taxes. Any entity looking to use the tax for another purpose would continue to have to seek special legislation.
 - No revisions needed.
 - Local sales taxes are allowed to be imposed without legislative approval and are limited only to counties and cities. Other local government entities will need to continue to have special legislation to approve a sales tax – in other words, special districts, townships, and any other local government entity outside of a city or county must seek legislative approval to impose a local sales tax.
 - Member Bode: We need clarifying language as some local sales taxes would need legislative approval if they aren't on the preapproved project list.
 - WR Matewos: WR will revise.
 - General local sales taxes should require a referendum, must fund capital project(s), must be sunset based upon a given date or debt retirement, must be a project with regional significance, and require no Legislative approval, only meeting Legislative criteria.
 - Member Dalton: I think we're missing something there.
 - Member Bode: I think it's the same issue. It's a blanket statement "require no Legislative approval".
 - Chair Marquart: Are we trying to put every criteria in that one, if we do, then we don't have a maximum tax base.
 - WR Matewos: WR will revise.
 - Member Dalton: We are aiming for regardless of whether legislative approval is required. Is that what we are trying to say?

- Chair Marquart: If we have the referendum, it looks like we're setting up the criteria.
- Member Dalton: Still have to be projects of regional significance. Legislature shouldn't approve if they aren't regional, even if we haven't provided the criteria.
- Member Max: Regional significance, meet establish Legislative criteria or Legislative approval?
- WR Matewos: We will come back to it. Pause and come back after Public Testimony.
- [Return to discussion after public testimony]
- Member Bode: Detroit Lakes and inflation impacts, there are circumstances when city/county make request. Is there a need for it?
- Member Dalton: Drop dead does not have the inflation in, plus amount for issuing the debt. If they have a reason to go over due to inflation, they have to go to Legislature. Generally they have allowed it if they make a good case. Allowing it without Legislative approval, there may be an incentive to low-ball, which would improve likelihood to get voter approval.
- Member Williams: I don't think city/county will play games with their voters. If under this process we would allow projects without going to Legislature, they could go back to their own voters.
- Chair Marquart: Good option to go to voters or Legislation.
- Member Max: Supportive of discussing inflation index and idea to transfer savings from one project to another. This may be a consideration. If at a minimum you go to Legislature for request, and then go back to voters for changes.
Member Bode: Recognize challenges if cost changes. It's not a stable environment right now.
- Member Dalton: Not trying to impugn local government, but there is a chance that they provide a range, and then go with lower number to voters. Go back to voters 5 years later, you know it was X, but it is Y- it's easier to do the extensions and could be a never ending tax. Could say remainder is going to go to property tax.
- Member Williams: That is the last thing we would have ever done. We would tell the public an ample amount because we didn't want to go back to ask for more and want to be transparent. That's not how an elected body will go about something.
- Member Bode: Agree with Member Williams. These are capital projects, not funding for operations. You bid them out, and it has now come in \$8M over budget. City of Morehand is delivering the project the voters said they wanted or increasing the budget. City Council has decided to fundraise for the difference, but other cities might need to make other choices. If we deliver a project that they didn't want, you are not going back in 5 years, but an election is a major use of public time and resources too. Intent of government is generally very good.
- Chair Marquart: Cost in 2020, approved in 2021, election not until 2022- 2-3 years beyond estimates for cost, and we know how inflation has increased. This is going to be less of an issue as the timing will be tighter from when it is initiated, voted on,

and implemented. Go back to voters or Legislature? There has to be a next step. Not sure what it might be.

- Member Dalton: I could be swayed. A lot of the problem has been due to delays when they get original estimate, go to voters, and when they start collecting. What I don't want, 10 years down the line, Cambridge request versus what they need now. Looking at 30-40% increases and they want to move money between projects and expand these. I think an increase of that amount, someone needs to be looking at it.
- Member Sims: I think there should be a check mechanism- Legislature or voting. I lean more to general election amount. I can see why you would want to move unused funds to other projects. Could give residents heartburn. [group laughing]
- Member Bode: Approximation versus approximation of request needs to be addressed.
- Chair Marquart: To change what voters approved, think you need to go back to voters.
- Member Williams: I agree.
- Member Dalton: If you went to Legislature the first time, you have to go back for any further extension approvals. Cap a percentage increase up to XX. Need a justification, like for COVID. Legislature, all imposed during XX period, we will give them an additional X number of years to cover the cost. For example, a tornado wipes out building. Legislature would easily approve. Giving carte blanche is scary.
- Chair Marquart: If cost is going up 30-40%, you are probably changing the scope of the project.
- Member Bode: Morehead's project had an inflationary impact- not necessarily COVID. Voter approved in 2022, did additional community listening sessions, design process over summer, schematic design after tax was imposed, hired construction contractor at risk, now entering design and development. Voters approved 40M, they approved ~32M, all happened within a year. The maximum amount/estimated time of collection was determined by Legislature, estimated 22 years for collection, but Legislature made it the maximum amount it would take. We could probably collect everything we want within the time period- it's a double back stop.
- Revised
 - General local sales taxes may be used to fund certain capital projects of regional significance that are either preapproved uses or legislatively approved.
 - Approved
 - General local sales taxes, excluding county transportation sales and use tax, require a voter referendum.
 - Approved
 - Local sales taxes imposed by a city is limited to 1% in total, and local taxes imposed by a county is 1% in total inclusive of county transportation sales and use tax.
 - Approved

- Local Governments must hold a referendum for local sales tax approval on a general election ballot or at an election held on the first Tuesday after the first Monday in November.
 - Chair Marquart: I have heartburn on this one. [group laughing] Majority thinks general election is every year. Looking at voter turnout, not sure if it adds to the success or failure. The one in Fargo had lower turnout and didn't get approved. Odd number year if not a Mayor or something on ballot?
 - Member Dalton: It's mirroring what they did to school ballot elections. Not going to make you wait 2 years, but not in other times of year. At least everyone knows it's going to be in November.
 - Chair Marquart: If I raise 2 fingers?
 - WR Matewos: You write a letter to include in the report.
 - Chair Marquart: I'm going to put up a 2.
 - Approved
- Food, beverage, amusement, and admissions taxes should be discouraged and require special legislation to be enacted. Parameters for use of food & beverage taxes should be put into place for the legislature to use for approval.
 - WR Matewos: Refine based on Jeff Dhal's testimony?
 - Member Williams: I can see where we don't put them on the streamline, but not sure we should "discourage".
 - Member Sims: I disagree, I like that we "discourage". When you look at what projects have been funded for, I think many of those projects can fit into what we are already expanding on. I found today's testimony [Wayzata] to be insulting. That data is not reflective or accurate of what is happening in that community or the restaurant and hospitality community. I think it should definitely go to the Legislature for special legislation. Giants Ridge was referenced- they are a unique scenario- targeting specific industry with no input from industry is not advised.
 - Chair Marquart: Anything outside of what is currently used?
 - Member Sims: They always go to the legislature. Encourage Legislature to look at that. It's too much for Task Force to take on.
 - Chair Marquart: The strength of this Task Force is in transparency and being frank. We all come from different perspectives, and we're getting that out there. Want to reflect all areas, concerns, and benefits. I appreciate your comments.
 - Member Sims: Bringing unchecked operational cost and putting it on one kind of business is not in the spirit. Encourage Legislature to limit use,
 - Member Max: Legislative approval is required for this segment and recommendation work will be needed that is outside the scope of the Task Force.
 - Member Bode: Wayzata testifier said it was somewhat unique. It would be hard for this group to make recommendations without studying further. It's a more targeted tax by not having it apply to all goods and services that are taxable in the community. I'm intrigued by testifier saying it doesn't impact lower socio-economic groups as much. Not ready to give recommendations on it.

- Member Dalton: Wayzata testimony, also think about cost set. Administrative point of view that are specialized increases burden on businesses. We don't have definitions for amusement and admissions and they are being set by ordinance in weird ways. Minneapolis entertainment tax applies if a bar has a trivia night for 2 hours/week- the extra tax is being applied to sales in that bar. Food/bev has same problems. When does it impact food carts and food trucks? I think they should be discouraged until it is clearer.
- Chair Marquart: Under state law it gives food/bev/ lodging up to 3%, do they have to have a public hearing and send out notices in affected area? Could there be a requirement on a recommendation for food/bev and lodging that the local entity would have to hold a public hearing and send out letters to all affected businesses?
- Member Dalton: There are special service districts, causing problems with public safety- there are ways to do it now.
- Chair Marquart: Would better terminology "should" be limited rather than "discouraged"?
- Member Sims: I'm fine with the term "limited". I like idea of recommendation to pursue notification to all businesses and host a meeting.
- Member Williams: Sounds good to me. I didn't know about amusement tax until I joined the Task Force. Don't think we should say "discouraged". Special circumstances where it may make sense.
- Member Bode: Public hearing or notice. I believe lodging tax has been in place for decades, and I think it's a pass through revenue that we provide to convention and visitors bureau. It's not a revenue of the City of Morehead, burden on city to hold it. Don't know how meaningful a process like that should be or who should be responsible. I can find out more about ours, not sure how it works in other places.
- Member Max: I need to leave for another meeting. Thanks for the conversation and look forward to the next meeting. [Member Max leaves meeting]
- Member Sims: For anyone seeking above 3% that is to be used for something other than marketing? It does go back to the Convention and Visitors goes back to market funding.
- Member Dalton: Food/Bev, amusement, lodging, admissions, outside 469.190- should be notified.
- WR Matewos: Food, beverage, amusement, and admissions taxes should continue to require Legislative approval. The Legislature should be encouraged to examine (perhaps through a future task force) the definitions of and parameters for use of food, beverage, amusement and admissions taxes as well as the limits needed here. For food, beverage, amusement, and admissions taxes, as well as first-time lodging taxes outside of 469.190, a public hearing and a notice to all businesses subject to administering tax, should be required.
- Member Bode: I think a time period is needed there. Is it annual, initially? Don't think it's implementable as it is.

- WR Matewos: Food, beverage, amusement, and admissions taxes should continue to require Legislative approval.
 - The Legislature should be encouraged to examine (perhaps through a future task force) the definitions of and parameters for use of food, beverage, amusement and admissions taxes as well as the limits needed here.
 - Approved
- Revised: Prior to seeking legislative approval for a food, beverage, amusement, and admissions taxes, as well as first-time lodging taxes outside of 469.190, the local government is required to provide notice to all businesses subject to administering the tax and hold a public hearing requirement and a notice to all businesses subject to administering tax.
 - Approved
- Convention Center Definition: Convention center means any structure expressly designed and constructed for the purposes of presenting conventions, public meetings, and exhibitions and includes parking facilities that serve the center and any personal property used in connection with any such structure or facilities.
 - Member Sims: More external focus and bringing in external audience and tourism dollars. Community Center does art shows, education, a lot of other resources.
 - Chair Marquart: Community Centers are smaller- regionality again.
 - WR Britt: Before you said community center, sports center, aquatics. Are conventions using this definition an acceptable use?
 - Chair Marquart: I thought we said a community center isn't included.
 - Member Bode: Googling on convention centers, and one of the definitions was designed for 1,000 people or more. Not sure if it is right quantification, but maybe a numeric distinction between the 2 uses?
 - Member Dalton: Recommend 1,000 and let Legislature make a recommendation of what it should be. 1,000 in metro might be too little, and in Greater Minnesota it may be too big.
 - Member Sims: Number or square footage?
 - Chair Marquart: Convention Center is automatically regional.
 - Member Williams: So we're not excluding community center?

Finalize criteria required for projects and regional benefit

- See [Agenda and Resources](#) for Parks and Trail Regional Significance Definitions.
- Member Williams: Public safety wouldn't have these parameters.
- WR Britt: The areas where you need designation of regionality is aquatic center, sports complex, community center, convention center.
- Member Dalton: Worried about city-wide community center. Has to serve a larger area. Looking at Rep Elkins suggestions, and for his regionality he suggests a survey showing a 1/3 of the users reside outside of the city. I would be more comfortable with something like that.

- Chair Marquart: I need to talk to one more of the 4 legislators. I think we are going to have more time. I don't want to rush it, and let's stop here. I will let you know, and then I think we can go back and look at scheduling additional meetings.

Debrief

- Adjournment
 - Chair Marquart: Thank you everyone for joining us. Have a very nice holiday season.