**COUNTY OF LAKE OF THE WOODS, MINNESOTA**

**AN ORDINANCE AMENDING ORDINANCE NO. 20-10-04 ADOPTED ON THE 13TH DAY OF 2020, AND TITLED “AN ORDINANCE IMPOSING A TAX ON LODGING AND REPEALING IN ITS ENTIRETY ORDINANCE NO. 06-03-03”**

This amended ordinance becomes effective from and after its passage and publication. The Board of Commissioners of the County of Lake of the Woods, ordains:

That the following sections are hereby amended:

**Section 1 Authority and Purpose**

**Subd 1. Authority.**

1. The Minnesota Senate approved Finance HF Bill 1938 (“Special Law”) authorizing a special Lake of the Woods County lodging tax. On May 24rd, 2023, Governor Walz approved the Special Law and it was filed with the Minnesota Secretary of State on May 24, 2023. The Lake of the Woods County Board of Commissioners by Resolution dated October 24, 2023 approved and accepted said Special Law. Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of law, ordinance, or city charter, and subject to the limitation in paragraph (b), the Special Law authorizes the Board of Commissioners of Lake of the Woods County to impose, by ordinance, a tax of up to 3% on gross receipts in Lake of the Woods County subject to the lodging tax provisions under Minnesota Statutes Section 469.190.
2. The provisions of paragraph (a) do not apply to any statutory or home rule city or town located in Lake of the Woods County that imposes a lodging tax under Minnesota Statutes Section 469.109, or the City of Baudette. The total tax imposed under Minnesota Statutes Section 469.190 and this section must not exceed 3%.
3. To the extent not inconsistent with Minnesota Statutes Section 469.190, this section is governed by Minnesota Statutes Section 469.190.

**Section 2 Definitions**

Subd. 4. **State sales and use tax laws and rules.**  “State sales and use tax laws and rules” means those provisions of the state revenue laws applicable to state sales and use tax imposition, administration, collection, and enforcement, including Minnesota Statutes, chapters 270C, 289A, 297A, 469A, and Minnesota Rules, chapter 8130, as amended from time to time and Special Law (“HF 1938).

**Section. 3. Local lodging tax imposed; amount of tax; coordination with state sales and use tax laws and rules.**  A local lodging tax is imposed in the amount of up to three percent (3%) on the gross receipts from sales of lodging and related services, as defined in section 2, subdivision 3 of this Ordinance, sourced within County limits, excluding any statutory or home rule city or town located in Lake of the Woods County that imposes a lodging tax under Minnesota Statutes section 469.190, or the City of Baudette, which are taxable under the state sales and use tax laws and rules. All of the provisions of the state sales and use tax laws and rules apply to the local lodging tax imposed by this Ordinance. The local lodging tax imposed by this Ordinance shall be collected and remitted to the Commissioner by the accommodations intermediary and the accommodations provider on any sale when the state sales tax must be collected and remitted to the Commissioner under the state sales and use tax laws and rules and in the same manner, and is in addition to the state sales and use tax.

**Section 5. Use of proceeds.**

Subd. 1. All of the revenues, interest, and penalties derived from the lodging tax imposed by this Ordinance collected by the Commissioner and remitted to the County shall be deposited by the County Auditor in the County treasury and must be used to fund a new Lake of the Woods County Event and Visitors Bureau, as established by the Board of Commissioners of Lake of the Woods County. The Board of Commissioners must annually review the budget of the Event and Visitors Bureau. The Event and Visitors Bureau may receive revenues raised from the taxes imposed under the section only upon annual approval by the Board of Commissioners of the Event and Visitors Bureau.

Subd. 2. In accordance with Minnesota Statutes section 469.190, subdivision 3, After the amount charged by the State for collection of the tax, ninety-five percent (95%) of the gross proceeds, derived from the lodging tax imposed by this Ordinance collected by the Commissioner and remitted to the County shall be deposited by the County Auditor in the County treasury and shall be credited to the fund established to pay the costs of collecting the lodging tax imposed by this Ordinance and to fund the Event and Visitors Bureau as set forth in Subd. 1 of this section.

**Section 8. Amendment**. All portions of Ordinance No. 20-10-04 of the County of Lake of the Woods duly enacted on October 13, 2024 inconsistent with this Ordinance are hereby repealed.

**Section 9. Full Force and Effect**: All other provisions of Ordinance No. 20-10-04 not amended shall remain in full force and effect.

**Section 10. Effective Date.** This Ordinance shall take effect on the first day of publication after adoption and the tax imposed hereunder shall be effective as of the date of the enactment of the Special Law.

Adopted this \_\_\_\_\_\_day of \_\_\_\_\_\_\_\_\_2024. Lake of The Woods County Board of Commissioners

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Cody Hasbargen, County Board Chair

Attest:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Lorene G Hanson, County Auditor/Treasurer

**ORDINANCE APPROVED ON A RESOLUTION AT THE \_\_\_\_\_\_\_\_, 2024, REGULAR BOARD MEETING**