

**ORDINANCE NO. 774**

**AN ORDINANCE OF THE CITY OF GOLDEN VALLEY, MINNESOTA, ENACTING CHAPTER 16,  
ARTICLE I, SECTION 16-3 OF THE CITY CODE: LOCAL SALES AND USE TAX**

**THE CITY COUNCIL OF THE CITY OF GOLDEN VALLEY, MINNESOTA DOES HEREBY ORDAIN:**

**CHAPTER 16, ARTICLE I, SECTION 16-3**

**LOCAL SALES AND USE TAX**

**(a) Authority.** Pursuant to Minnesota Laws 2023, Chapter 64, Article 10, Section 37 (the “Act”), the Minnesota Legislature has authorized the City of Golden Valley, Minnesota to impose a one and one-quarter percent (1.25%) sales and use tax to provide revenues to pay the costs of collecting and administering the tax to the commissioner of revenue of the state of Minnesota and to finance the capital and administrative costs related to the funding of designated projects identified in the Act and approved by the voters at the general election held November 7, 2023.

**(b) Definitions.** For purposes of this chapter, the following words, terms, and phrases have the meanings given them in this section unless the language or context clearly indicates a different meaning is intended.

(1) **“Act”** means Minnesota Laws 2023, Chapter 64, Article 10, Section 37, as amended.

(2) **“City”** means the City of Golden Valley, Minnesota.

(3) **“Commissioner”** means the commissioner of revenue of the state of Minnesota or a person to whom the commissioner has delegated functions.

(4) **“Designated Projects”** means the planning, design, construction, acquisition, betterment, and any other capital and administrative costs of the following projects in the City, including securing and paying debt service on bonds issued to finance all or part of the following projects:

i. \$45,000,000 plus associated bonding costs for construction of a new public works facility;

ii. \$15,000,000 plus associated bonding costs for the purchase of land for a new public works facility; and

iii. \$45,000,000 plus associated bonding costs for construction of a new public safety facility.

(5) **“Local Sales and Use Tax”** means the sales and use tax imposed and collected pursuant to this section.

(6) **“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 and Minnesota Rules, chapter 8130, as amended from time to time.

**(c) Local Sales and Use Tax imposed; amount of tax; coordination with State Sales and Use Tax Laws and Rules.** A local sales tax is imposed in the amount of one and one-quarter percent (1.25%) on the gross receipts from sales at retail sourced within City limits which are taxable under the State Sales and Use Tax Laws and Rules. A local use tax is imposed in the amount of one and one-quarter percent (1.25%) on the storage, use, distribution or consumption of goods or services sourced within City limits 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 Sales and Use Tax imposed by this section. The Local Sales and Use Tax imposed by this section shall be collected and remitted to the Commissioner on any sale or purchase when the state sales tax must be collected and remitted to the Commissioner under the State Sales and Use Tax Laws and Rules and is in addition to the state sales and use tax.

**(d) Effective date of tax; transitional sales.** Except as otherwise provided herein, the Local Sales and Use Tax imposed by this section shall apply to sales and purchases made on or after April 1, 2024, and shall be in addition to all other taxes now in effect. The Local Sales and Use Tax is governed by State Sales and Use Tax Laws and Rules regarding sales that occur during any transition period described therein and, in addition, the Local Sales and Use Tax imposed by this section shall not apply to:

(1) The gross receipts from retail sales or leases of tangible personal property or Motor Vehicles made pursuant to a bona fide written contract, which unconditionally vests the rights and obligations of the parties thereto, provided that such contract was enforceable prior to April 1, 2024, and that delivery of the tangible personal property subject thereto is made on or before April 1, 2024.

(2) The gross receipts from retail sales made pursuant to a bona fide lump sum or fixed price construction contract, which unconditionally vests the rights and obligations of the parties thereto and which does not make provision or allocation of future taxes, provided that such contract was enforceable prior to April 1, 2024, and that delivery of the tangible personal property used in performing such construction contract is made before April 1, 2024.

(3) The purchase of taxable services, including utility services, if the billing period includes charges for services furnished before and after April 1, 2024, but the Local Sales and Use Tax imposed by this section shall apply on the first billing period not including charges for services furnished before April 1, 2024.

(4) Lease payments for tangible personal property and Motor Vehicles that includes a period before and after April 1, 2024, but the Local Sales and Use Tax imposed by this section shall apply on a prorated basis to lease payment amounts attributable to that portion of the lease payment period on or after April 1, 2024 and on the entire lease payment for all lease payment periods thereafter.

**(e) Tax Clearance; Issuance of Licenses.**

(1) The City may not issue or renew a license for the conduct of a trade or business within the City if the Commissioner notifies the licensing division of the City that the applicant owes delinquent Local Sales and Use Taxes as provided in this section, or penalties or interest due on such taxes. For the purposes of this section, the penalties and interest due on Local Sales and Use Taxes are included in the meaning of Local Sales and Use Taxes.

(2) Delinquent Local Sales and Use Taxes do not include a tax liability if: (i) an administrative or court action which contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the applicant has entered into a payment agreement and is current with the payments.

(3) Applicant means an individual if the license is issued to or in the name of an individual or the corporation, partnership or other entity if the license is issued to or in the name of a corporation, partnership or other entity.

(4) A copy of the notice of delinquent taxes given to the licensing division of the City shall also be sent to the applicant taxpayer. In the case of renewal of a license, if the applicant requests a hearing in writing, within 30 days of receipt of the notice of delinquent taxes, then a contested hearing shall be held under the same procedures as provided in Minn. Stat. 270A, as amended, for the state sales and use tax imposed under Minn. Stat. 297A, as amended; provided further that if a hearing must be held on the state sales and use tax, hearings must be combined.

**(f) Deposit of revenues; costs of administration; termination of tax.**

(1) All of the revenues, interest, and penalties derived from the Local Sales and Use Tax imposed by this section collected by the Commissioner and remitted to the City shall be deposited by the City Finance Director in the City treasury and shall be credited to the fund established to pay the costs of collecting the Local Sales and Use Tax imposed by this section and to finance the capital and administrative costs directly related to completing the Designated Projects.

(2) The Local Sales and Use Tax imposed by this section shall terminate at the earlier of (1) 30 years after the tax is first imposed, or (2) when the City Council determines that the amount received from the tax is sufficient to pay for the Designated Projects, plus an amount sufficient to pay interest on and the costs of issuing any bonds issued pursuant to the Act. Any funds remaining after payment of all such costs and retirement or redemption of the bonds due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the City. The Local Sales and Use Tax imposed by this section may terminate at an earlier time if the City Council so determines by ordinance.

**(g) Agreement with the Commissioner.** The City may enter into an agreement with the Commissioner regarding each party's respective roles and responsibilities related to the imposition, administration, collection, enforcement, and termination of the Local Sales and Use Tax imposed by this section. Any such agreement shall not abrogate, alter, or otherwise conflict with the State Sales and Use Tax Laws and Rules, this ordinance, or the Act.

**(h) Summary publication.** The following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance pursuant to Minnesota Statutes section 412.191:

Pursuant to a voter-approved referendum, the City is authorized to and will impose a local sales and use tax of one and one-quarter percent (1.25%) on retail sales made on or after April 1, 2024 to pay for the cost of collecting and administering the taxes and to pay for certain costs related to the funding of the planning, design, construction and any other capital and administrative costs of the following projects and plus an amount sufficient to pay interest on and the costs of issuing any bonds issued pursuant to Minnesota Laws 2023, Chapter 64, Article 10, Section 37:

- (1) \$45,000,000 plus associated bonding costs for construction of a new public works facility;
- (2) \$15,000,000 plus associated bonding costs for the purchase of land for a new public works facility; and
- (3) \$45,000,000 plus associated bonding costs for construction of a new public safety facility.

**(i) Effective Date.** This Ordinance amends the City Code by enacting a new Article I, Section 16-3 to Chapter 16. This Ordinance shall be in full force and effect from and after its passage and publication (or publication of a summary thereof in accordance with applicable law).

Passed by the City Council of the City of Golden Valley, Minnesota, this 19<sup>th</sup> day of December, 2023.

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Shepard M. Harris, Mayor

ATTEST:

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Theresa Schyma, City Clerk