

**ORDINANCE NO. 1092**

**AN ORDINANCE AMENDING NORTHFIELD CITY CODE, CHAPTER 74 – TAXATION**

**THE CITY COUNCIL OF THE CITY OF NORTHFIELD DOES ORDAIN THAT** (new material is underlined; deleted material is lined out; sections which are not proposed to be amended are omitted; sections which are only proposed to be re-numbered as only set forth below as to their number and title):

SECTION 1. Northfield City Code, Chapter 74 – Taxation, Article II – Lodging Tax, Division 1 – Generally, Section 74-26 – Definitions, is hereby amended to read as follows:

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*City* means the City of Northfield, Minnesota.

*Director* means the finance director of the city.

*Lodger* means the person obtaining lodging from an operator.

*Lodging* means the furnishing for consideration of lodging and related services by a hotel, motel, rooming-house, tourist court, resort, municipal campground, vacation rental, or trailer camp, including the furnishing for consideration of access to telecommunication services, and ~~or~~ the granting of any similar license to use real property, except where such lodging shall be for a continuous period of 30 days or more to the same lodger.

*Operator* means a person who provides lodging to others or any officer, agent or employee of such person.

*Person* means any individual, corporation, partnership, association, estate, receiver, trustee, executor, administrator, assignee, syndicate or any other combination of individuals. Whenever the terms “person” is used in any provision of this chapter prescribing and imposing a penalty, the term as applied to a corporation, association, or partnership, shall mean the officers or partners thereof as the case may be.

*Rent* means the gross receipts from the furnishing for consideration of lodging by an operator, whether paid in money or otherwise.

(Code 1986, § 140:05; Ord. No. 947, § 1, 5-7-2013)

Cross reference(s)—Definitions generally, § 1-2.

SECTION 2. Northfield City Code, Chapter 74 – Taxation, Article II – Lodging Tax, Division 2 – Administration and Enforcement, Section 74-61 – Duties of director, is hereby amended to read as follows.

The director shall administer and enforce the assessment and collection of taxes imposed by this article, unless the city council enters into an agreement with the commissioner of revenue of the state of Minnesota that the tax imposed under this article shall be collected by the commissioner together with the tax imposed by Minn. Stat. ch. 297A, pursuant to section 74-66. The director shall cause to be prepared blank forms for the returns and other documents required by this article and shall distribute the forms and documents throughout the city and furnish them on application, but failure to receive or secure them shall not relieve any person from any obligation required of him/her under this article.

(Code 1986, § 140:55)

SECTION 3. Northfield City Code, Chapter 74 – Taxation, Article II – Lodging Tax, Division 2 – Administration and Enforcement, Section 74-66 – Contract with state, is hereby amended to read as follows:

Pursuant to Minn. Stat. § 469.190, subd. 7, the city council may, but need not, agree with the ~~state~~ commissioner of revenue of the state of Minnesota that the tax imposed under this article shall be collected by the commissioner together with the tax imposed by Minn. Stat. ch. 297A and shall be subject to the same interest, penalties, and other rules and that its proceeds, less the cost of collection, shall be remitted to the city. In such event, Division 1 and Division 2 of this article shall no longer be operative, and Division 3 shall govern instead. ~~To the extent that the sections of this article are in conflict with any statutes, rules or regulations which control under any such agreement with the commissioner, the provisions of such statutes, rules and regulations shall prevail.~~

(Code 1986, § 140:70; Ord. No. 947, § 2, 5-7-2013)

State law reference(s)—Collection by state authorized, Minn. Stat. § 469.190, subd. 7.

SECTION 4. Northfield City Code, Chapter 74 – Taxation, Article II – Lodging Tax, is hereby amended to add the following new Division 3, to read as follows:

*DIVISION 3. DEPARTMENT OF REVENUE*

**Sec. 74-96. Collections by the Department of Revenue.**

Pursuant to section 74-66 , the city may agree with the commissioner of revenue of the state of Minnesota that a tax imposed pursuant to this article shall be collected by the commissioner together with the tax imposed by Minnesota Statutes, chapter 297A, and subject to the same interest, penalties, and other rules and that its proceeds, less the cost of collection, shall be remitted to the city. In such event, Division 1 and Division 2 of this article shall no longer be operative, and this Division 3 shall govern. Division 1 and Division 2 shall automatically

become operative if the agreement provided in this Division 3 terminates for any reason, effective the date of termination thereof, in order that there shall be no gap in the collection of lodging taxes as provided in this article.

**Sec. 74-97. Authority and purpose.**

- (a) Authority. The city is authorized to impose a tax of up to three percent on gross receipts subject to the lodging tax under Minn. Stat. § 469.190.
- (b) Purpose. The purpose of this Division 3 is to raise revenue to fund a local tourism bureau for the purpose of marketing and promoting the City of Northfield as a tourist center.

**Sec. 74-98. Definitions.**

The following words, terms and phrases, when used in Division 3 of this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning. The following definitions apply only to this Division 3. Minn. Stat. § 270C.171 is incorporated by reference for definitions in this Division 3. In the event of any conflict between Minn. Stat. § 270C.171 and this Division 3, the state statute shall govern. The definitions in section 74-26 apply to this Division 3, unless altered below or the context clearly indicates a different meaning.

Accommodations intermediary means any person or entity, other than an accommodations provider, that facilitates the sale of lodging and related services, and that charges a room charge to a customer. The term “facilitates the sale” includes brokering, coordinating, or in any way arranging for the purchase of or the right to use accommodations by a customer. The term “room charge” means the total sales price paid by the customer for the lodging and related services.

Accommodations provider means any person or entity that furnishes lodging and related services to the general public for compensation. The term “furnishes” includes the sale of use or possession, or the sale of the right to use or possess.

Commissioner means the commissioner of revenue of the state of Minnesota or a person to whom the commissioner has delegated functions.

Lodging and related services means lodging and related services by a hotel, rooming house, resort, campground, vacation rental, motel, or trailer camp, including furnishing the guest of the facility with access to telecommunication services, and the granting of any similar license to use real property in a specific facility, other than the renting or leasing of it for a continuous period of 30 days or more under an enforceable written agreement that may not be terminated without prior notice, and including accommodations intermediary services provided in connection with other services provided under this definition.

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.

**Sec. 74-99. 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 three percent on the gross receipts from sales of lodging and related services, as defined in section 74-98, 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 lodging tax imposed by this Division 3. The local lodging tax imposed by this Division 3 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.

**Sec. 74-100. Advertising no tax.**

It shall be unlawful for any accommodations intermediary or accommodations provider to advertise or hold out or state to the public or any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the accommodations intermediary or accommodations provider, or that it will not be added to the rent or that, if added, it or any part thereof will be refunded.

**Sec. 74-101. Use of proceeds.**

- (a) All of the revenues, interest, and penalties derived from the lodging tax imposed by this Division 3 collected by the commissioner and remitted to the city shall be deposited by the Director in the city general fund and shall be credited to the fund established to pay the costs of collecting the lodging tax imposed by this Division 3 and to fund a city or city-contracted convention and tourism bureau.
- (b) In accordance with Minn. Stat. § 469.190, subd. 3, ninety-five percent of the gross proceeds, derived from the lodging tax imposed by this Division 3 collected by the commissioner and remitted to the city shall be deposited by the Director in the city general fund and shall be credited to the fund established to pay the costs of collecting the lodging tax imposed by this Division 3 and to fund a city or city-contracted convention and tourism bureau.

**Sec. 74-102. 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 lodging tax imposed by this Division 3. Any such

agreement shall not abrogate, alter, or otherwise conflict with the state sales and use tax laws and rules, this Division 3, or Minn. Stat. § 469.190.

SECTION 5. Northfield City Code, Chapter 74 – Taxation, Article III – Rural Service District, is hereby re-numbered as follows:

**Sec. 74-103. Established.**

**Sec. 74-104. Composition.**

**Sec. 74-105. Change in district.**

**Sec. 74-106. Tax ratio.**

**Sec. 74-107. Annexed land.**

**Sec. 74-108. Required city services.**

SECTION 5. This Ordinance shall take effect thirty days after its publication.

Passed by the City Council of the City of Northfield, Minnesota, this 7<sup>th</sup> day of April, 2026.

ATTEST:

Lynette R. Peterson  
City Clerk

Erica Zweifel  
Mayor

First Reading:	March 17, 2026
Second Reading:	April 7, 2026
Published:	April 15, 2026

VOTE:     \_\_Y\_\_ ZWEIFEL \_\_Y\_\_ BEUMER \_\_Y\_\_ DAHLEN \_\_Y\_\_ HOLMES  
          \_\_Y\_\_ NESS \_\_Y\_\_ PETERSON WHITE \_\_Y\_\_ SOKUP