

**City of Woodbury
Washington County, Minnesota**

Ordinance 2065

**An Ordinance of the City of Woodbury, Washington County, Minnesota
Creating Chapter 2, Article X of the Woodbury City Code Enacting a Local Sales and Use
Tax**

The City Council of the City of Woodbury, Washington County, Minnesota does Ordain:

Section 2. Chapter 2, Article X, of the City Code is created to read as follows:

Sec. 2-500 Authority

Pursuant to Minn. Stat. 297A.99 and Minnesota Session Laws 2023, Chapter 64, Article 10, Section 50, the Minnesota Legislature has authorized the City of Woodbury to impose a local general sales and use tax to provide revenues to pay the costs of collecting and administering the tax and to pay for the construction and rehabilitation of the public safety campus in the city, including securing and paying debt service on bonds issued to finance all or part of the designated project as defined in Session Laws 2023, Chapter 64, Article 10, Section 50. The voters of the City of Woodbury approved the imposition of said local sales and use tax by referendum at the general election on November 5, 2024.

Sec. 2-501 Definitions

For purposes of this chapter, the following definitions apply unless the context clearly indicates or requires a different meaning.

City means the City of Woodbury, Minnesota.

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

Designated project means \$50,000,000 plus associated bonding costs for the construction and rehabilitation of a new public safety campus.

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 Minn. Stats. § 297A.99, chapters 270C, 289A, 297A, and Minn. Rules, chapter 8130, as amended from time to time.

Sec. 2-502 Local sales and use tax imposed

A local sales tax is imposed in the amount of one-half of one percent (0.5%) on the gross receipts of all taxable sales and purchases as defined in Minn. Stat. 297A.61 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-half of one percent (0.5%) 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 article. The local sales and use tax imposed by this article 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.

Sec. 2-503 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, 2025 and shall be in addition to all other taxes now in effect. The sales and use tax is governed by Minn. Stats. ch. 297A regarding sales that occur during the transition.

Sec. 2-504 Exemption certificates

A fully completed exemption certificate taken from a purchaser to the effect that the property purchased is for resale or that the sale is otherwise exempt from the application of the tax imposed by this chapter will conclusively relieve the retailer from collecting and remitting the tax to the extent the seller is also relieved of liability for the sales and use tax under Minn. Stats. § 297A.665. A person who has obtained from the commissioner an exemption certificate pursuant to the Minn. Stats. § 297A.72 may use such exemption certificate for the purposes of the sales tax imposed by the city.

Sec. 2-505 Tax clearance; issuance of licenses

- (a) The city may not issue or renew a license for the conduct of a trade or business within the city if the commissioner notified the licensing division of the city that the applicant owes delinquent city taxes as provided in this chapter, or penalties or interest due on such taxes. City taxes include sales and use taxes provided in this article. Penalties and interest are penalties and interest due on taxes included in this definition.
- (b) Delinquent taxes does 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.
- (c) Applicant means an individual if the license is issued to or in the name of an individual or the corporation or partnership if the license is issued to or in the name of a corporation or partnership. 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 in writing, within 30 days of receipt of the notice of hearing, then, a contested hearing shall be held under the same procedures as provided in Minn. Stats. ch. 270A for the state sales and use tax imposed under Minn. Stats. ch. 297A; provided further that if a hearing must be held on the state sales and use tax, hearings must be combined.

Sec. 2-506 Deposit of revenues; costs of administration; termination of tax

- (a) All of the revenues, interest, and penalties derived from the local sales and use tax imposed by this chapter collected by the commissioner and remitted to the city shall be deposited by the Chief Financial Officer/Controller 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 chapter and to finance the capital and administrative costs directly related to completing the designated project.

- (b) The local sales and use tax imposed by this article shall terminate at the earlier of (1) 20 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 project costs authorized under Minn. Stats. § 297A.99, subdivision 2 for project approved by voters as required under Minn. Stats. § 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under Minn. Stats. § 297A.99, subdivision 3, including interest on the bonds.

Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax imposed by this article may expire at an earlier time if the city so determines by ordinance.

Sec. 2-507 Bonding authority

The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project. The aggregate principal amount of bonds may not exceed \$50,000,000, plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city, including the sales and use tax issued by this section. The issuance of bonds is not subject to Minnesota Statutes, sections 275.60 and 275.61. The bonds are not included in computing any debt limitation applicable to the city, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Sec. 2-508 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 article. Any such agreement shall not abrogate, alter, or otherwise conflict with the state sales and use tax laws and rules, this division, or Session Laws 2023, Chapter 64, Article 10, Section 50.

This ordinance is effective following passage and publication.

This Ordinance was declared duly passed and adopted and was signed by the Mayor and attested to by the City Administrator this 11th day of December, 2024.

Anne W. Burt, Mayor

Attest

Clinton P. Gridley, City Administrator

(SEAL)

