



AGENDA

Blackduck City Council - Public Hearing Meeting

6:00 PM - Monday, December 9, 2024
City Hall, 8 Summit Drive, Blackduck MN

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1. CALL TO ORDER	
2. PUBLIC HEARING AGENDA	
a. First & Final Reading of Ordinance 2024-02 - Ordinance amending Chapter 11, Business Regulations of the City Code, providing for Section 1170, regulating Cannabis Businesses Ordinance 2024-02 Adult Use Cannabis	2 - 14
b. General Questions & Answers from Public	
c. First and Final Reading Ordinance 2024-03 - An Ordinance amending Chapter 11, Business Regulations of the City Code Providing for Section 1180, Related to a Local Sales and Use Tax Ordinance 2024-03 Updated from Taft(135956253.1)	15 - 18
d. General Questions & Answers from the Public	
3. ADJOURNMENT	



CITY OF BLACKDUCK

ORDINANCE #2024-02

AN ORDINANCE AMENDING CHAPTER 11, BUSINESS REGULATIONS OF THE CITY CODE, PROVIDING FOR SECTION 1170, REGULATING CANNABIS BUSINESSES

The City Council of the City of Blackduck, Minnesota, hereby ordains:

Section 1. Administration

§1170.01 Subdivision 1 Findings and Purpose:

The City Council of the City of Blackduck make the following legislative findings:

The purpose of this ordinance is to implement the provisions of Minnesota Statutes, Chapter 342, which authorizes the City of Blackduck to protect the public health, safety, welfare of City of Blackduck residents by regulating cannabis businesses within the legal boundaries of the City of Blackduck.

The City of Blackduck finds and concludes that the proposed provisions are appropriate and lawful land use regulations for the City of Blackduck, that the proposed amendments will promote the community's interest in reasonable stability in zoning for now and in the future, and that the proposed provisions are in the public interest and for the public good.

§1170.01 Subdivision 2 Authority & Jurisdiction

The City of Blackduck, Minnesota has the authority to adopt this ordinance pursuant to:

- a) Minnesota Statute 342.13(c), regarding the authority of a local unit of government to adopt reasonable restrictions of the time, place, and manner of the operations of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis business.
- b) Minnesota Statute 342.22, regarding the local registration and enforcement requirements of state-licenses cannabis retail businesses and lower-potency hemp edible retail businesses.
- c) Minnesota Statute 152.0263, Subd. 5, regarding the use of cannabis in public places.
- d) Minnesota Statute 462.354, regarding the authority of a local authority to adopt zoning ordinances.

Ordinance shall be applicable to the legal boundaries of the City of Blackduck.



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The City of Blackduck has delegated cannabis retail registration authority to Beltrami County. However, the City of Blackduck may adopt ordinances under Section (2.6, 3 and 4) if Beltrami County has not adopted conflicting provisions.

§1170.01 Subdivision 3 Severability

If any section, clause, provision, or portion of this ordinance is adjusted unconstitutional or invalid by a court of competent jurisdiction, the remainder of this ordinance shall not be affected thereby.

§1170.01 Subdivision 4 Enforcement

The Beltrami County Sheriff's Office, the Beltrami County Auditor-Treasurer, Beltrami County Environmental Services, and the Beltrami County Attorney's Office are responsible for the administration and enforcement of this ordinance. Any violation of the provisions of this ordinance or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Violations of this ordinance can occur regardless of whether or not a permit is required for a regulated activity listed in this ordinance.

§1170.01 Subdivision 5 Definitions

Unless otherwise noted in this section, words and phrases contained in Minnesota Statute 342.01 and the rules promulgated pursuant to any of these acts, shall have the same meanings in this ordinance.

1. Cannabis Cultivation – A cannabis business licensed to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant; harvest cannabis flower from mature plant; package and label immature plants and seedlings and cannabis flower for sale to other cannabis businesses; transport cannabis flower to a cannabis manufacturer located on the same premises; and perform other actions approved by the office.
2. Cannabis Retail Business – A retail location and the retail location(s) of a mezzobusinesses with a retail operations endorsement, microbusinesses with a retail operations endorsement, medical combination businesses operating a retail location, (and/excluding) lower-potency hemp edible retailers.
3. Cannabis Retailer – Any person, partnership, firm, corporation, or association, foreign or domestic, selling cannabis product to a consumer and not for the purpose of resale in any form.
4. Daycare – A location licensed with the Minnesota Department of Human Services to provide the care of a child in a residence outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.
5. Lower-potency Hemp Edible – As defined under Minnesota Statute 342.01 subd. 50.



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6. Office of Cannabis Management – Minnesota Office of Cannabis Management, referred to as “OCM” in this ordinance.
7. Place of Public Accommodation – A business, accommodation, refreshment, entertainment, recreation, or transportation facility of any kind, whether licensed or not, whose goods, services, facilities, privileges, advantages or accommodations are extended, offered, sold, or otherwise made available to the public.
8. Preliminary License Approval – OCM pre-approval for a cannabis business license for applicants who qualify under Minnesota Statute 342.17.
9. Public Place – A public park or trail, public street or sidewalk; any enclosed, indoor area used by the general public, including, but not limited to, restaurants; bars; any other food or liquor establishment; hospitals; nursing homes; auditoriums; arenas; gyms; meeting rooms; common areas of rental apartment buildings, and other places of public accommodation.
10. Residential Treatment Facility – As defined under Minnesota Statute 245.462 subd. 23.
11. Retail Registration – An approved registration issued by Beltrami County to a state-licensed cannabis retail business.
12. School – A public school as defined under Minnesota Statute 120A.05 or a nonpublic school that must meet the reporting requirements under Minnesota Statute 120A.24.
13. State License – An approved license issued by the State of Minnesota’s Office of Cannabis Management to a cannabis retail business.

Section 2. Registration of Cannabis Businesses

§1170.02 Subdivision 1 Consent to registering of Cannabis Businesses

No individual or entity may operate a state-licensed cannabis retail business with the City of Blackduck without first registering with Beltrami County.

Any state-licensed cannabis retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of (up to \$2,000) for each violation.

Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

§1170.02 Subdivision 2 Compliance Checks Prior to Retail Registration

Prior to issuance of a cannabis retail business registration, Beltrami County shall conduct a preliminary compliance check to ensure compliance with local ordinances.

Pursuant to Minnesota Statute 342, within 30 days of receiving a copy of a state license application from OCM, the City of Blackduck shall certify on a form provided by OCM whether a proposed



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cannabis retail business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

§1170.02 Subdivision 3 Registration & Application Procedure

§1170.02 Subd. 3.1 Fees

Beltrami County shall not charge an application fee.

A registration fee, as established in Beltrami County's fee schedule, shall be charged to applicants depending on the type of retail business license applied for.

An initial retail registration fee shall not exceed \$500 or half the amount of an initial state license fee under Minnesota Statute 342.11, whichever is less. The initial registration fee shall include the initial retail registration fee and the first annual renewal fee.

Any renewal retail registration fee imposed by Beltrami County shall be charge at the time of the second renewal and each subsequent renewal thereafter.

A renewal retail registration fee shall not exceed \$1,000 or half the amount of a renewal state license fee under Minnesota Statute 342.11, whichever is less.

A medical combination business operating an adult-use retail location may only be charged a single registration fee, not to exceed the lesser of a single retail registration fee, defined under this section, of the adult-use retail business.

§1170.02 Subdivision 3.2 Application Submittal

Beltrami County shall issue a retail registration to a state-license cannabis retail business that adheres to the requirements of Minnesota Statute 342.22

- A. An applicant for a retail registration shall fill out an application form, as provided by Beltrami County. Said form shall include, but is not limited to:
 - i. Full name of the property owner and applicant;
 - ii. Address, email address, and telephone number of the applicant;
 - iii. The address and parcel ID for the property which the retail registration is sought;
 - iv. Certification that the applicant complies with the requirements of local ordinances established pursuant to Minnesota Statute 342.13
 - v. Any other information as requested by the Beltrami County Auditor-Treasurer
- B. The applicant shall include with the form:
 - i. The application fee as required in §1170.02 subd. 3.1
 - ii. A copy of a valid state license or written notice of OCM license preapproval;



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- iii. Any other information as requested by the Beltrami County Auditor-Treasurer.
- C. Once an application is considered complete, the Auditor-Treasurer of Beltrami County shall inform the applicant as such, process application fees, and approve or deny the application.
- D. The application fee shall be non-refundable once processed.

§1170.02 Subdivision 3.3 Application Approval

- A. A state-licensed cannabis retail business application shall not be approved if the cannabis retail business would exceed the maximum number of registered cannabis retail businesses permitted under Section 02.6
- B. A state-licensed cannabis retail business application shall not be approved or renewed if the applicant is unable to meet the requirements of this ordinance.
- C. A state-licensed cannabis retail business application that meets the requirements of this ordinance shall be approved.

§1170.02 Subdivision 3.4 Annual Compliance Checks

The Beltrami County Sheriff shall complete at minimum one compliance check per calendar year of every cannabis business to assess if the business meets age verification requirements, as required under Minnesota Statute 342.22 Subd. 4(b) and Minnesota Statute 342.24 and this ordinance.

The Beltrami County Sheriff shall conduct at minimum one unannounced age verification compliance check at least once per calendar year.

Age verification compliance checks shall involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer.

Any failures under this section must be reported to the Office of Cannabis Management.

§1170.02 Subdivision 3.5 Location Change

A state-licensed cannabis retail business shall be required to submit a new application for registration under Section 2.3.2 if it seeks to move to a new location still within legal boundaries of Beltrami County.



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§1170.02 Subdivision 4 Renewal of Registration

The Auditor-Treasurer of Beltrami County shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license.

A state-licensed cannabis retail business shall apply to renew registration on a form established by Beltrami County.

A cannabis retail registration issued under this ordinance shall not be transferred.

§1170.02 Subdivision 4.1 Renewal Fees

Beltrami County may charge a renewal fee for the registration starting at the second renewal, as established in Beltrami County's fee schedule.

§1170.02 Subdivision 4.2 Renewal application

The application for renewal of a retail registration shall include those items required under Section 2.3.2 of this Ordinance.

§1170.02 Subdivision 5 Suspension of Registration

§1170.02 Subdivision 5.1 When Suspension is Warranted

Beltrami County may suspend a cannabis retail business's registration if it violates the ordinance of the Beltrami County or poses an immediate threat to the health or safety of the public. The Auditor-Treasurer of Beltrami County shall immediately notify the cannabis retail business in writing the grounds for the suspension.

§1170.02 Subdivision 5.2 Notification to OCM

The Auditor-Treasurer of Beltrami County shall immediately notify the OCM in writing the grounds for the suspension. OCM will provide Beltrami County and cannabis business retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.



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§1170.2 Subdivision 5.3 Length of Suspension

The suspension of a cannabis retail business registration may be for up to 30 calendar days, unless OCM suspends the license for a longer period. The business may not make sales to customers if their registration is suspended.

Beltrami County may reinstate a registration if it determines that the violations have been resolved.

§1170.2 Subdivision 5.4 Civil Penalties

Subject to Minnesota Statute 342.22, subd. 5e Beltrami County may impose a civil penalty, as specified in the Beltrami County fee schedule, for registration violations, not to exceed \$2,000.

§1170.2 Subdivision 6 Limiting of Registrations

Beltrami County shall limit the number of cannabis retail businesses to no fewer than one registration for every 12,500 residents within Beltrami County.

If Beltrami County has one active cannabis retail businesses registration for every 12,500 residents, Beltrami County, and any city, which has delegated registration authority to Beltrami County, shall not register additional state-licensed cannabis retail businesses.

Section 3. Requirements for Cannabis Businesses

§1170.3 Subdivision 1 Minimum Buffer Requirements

The following minimum buffer requirements shall be met for all business types. For business applications in the City of Blackduck that delegates authority to Beltrami County, the minimum buffer requirements may be reduced with a vote of support at a city council meeting of the City of Blackduck citing the specific business application and acceptable buffer distance.

The City of Blackduck shall prohibit the operation of a cannabis business within (200) feet of a school, as measured by the shortest line between the property line of the space to be occupied by the proposed cannabis business to the nearest property line of the school.

The City of Blackduck shall prohibit the operation of a cannabis business within (500) feet of a day care, as measured by the shortest line between the property line of the space to be occupied by the proposed cannabis business to the nearest property line of the daycare.



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The City of Blackduck shall prohibit the operation of a cannabis business within (500) feet of a residential treatment facility, as measured by the shortest line between the property line of the space to be occupied by the proposed cannabis business to the nearest property line of the residential treatment facility.

The City of Blackduck shall prohibit the operation of a cannabis business within (500) feet of an attraction within a public park that is regularly used by minors, including a playground or athletic field, as measured by the shortest line between the property line of the space to be occupied by the proposed cannabis business to the nearest property line of the park.

The City of Blackduck shall prohibit the operation of a cannabis retail business with (500) feet of another cannabis retail business.

Pursuant to Minnesota Statute 462.367 subd. 14, nothing in Section 3.1 shall prohibit an active cannabis business or a cannabis business seeking registration from continuing operation at the same site if a school, daycare, residential treatment facility, or an attraction within a public park that is regularly used by minors moves within the minimum buffer zone.

§1170.3 Subdivision 2 Zoning and Land Use

§1170.3 Subdivision 2.1 Cultivation

Cannabis businesses licensed or endorsed for cultivation is a permitted use only in the following zoning districts:

- I-1 – Industrial Zone
- A-1 – Agricultural Zone

§1170.3 Subdivision 2.2 Cannabis Manufacturer

Cannabis businesses licensed or endorsed for cannabis manufacturer is a permitted use only in the following zoning districts:

- I-1 – Industrial Zone

§1170.3 Subdivision 2.3 Hemp Manufacturer

Businesses licensed or endorsed for low-potency hemp edible manufacturers permitted use only in the following zoning districts:

- I-1 – Industrial Zone
- B-2 – Highway Business Zone
- B-3 – General Business Zone



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§1170.3 Subdivision 2.4 Wholesale

Cannabis businesses licensed or endorsed for wholesale is a permitted use only in the following zoning districts:

- I-1 – Industrial Zone
- B-2 – Highway Business Zone
- B-3 – General Business Zone

§1170.3 Subdivision 2.5 Cannabis Retail

Cannabis businesses licensed or endorsed for cannabis retail is a permitted use in the following zoning districts:

- B-1 – Central Business Zone
- B-2 – Highway Business Zone
- B-3 – General Business Zone

§1170.3 Subdivision 3 Hours of Operation

Cannabis businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of 10:00am and 10:00pm.

§1170.3 Subdivision 4 Advertising

Cannabis businesses are permitted to erect up to two fixed signs on the exterior of the building or property of the business, unless otherwise limited by the City of Blackduck's sign Ordinance.

Section 4. Temporary Cannabis Events

§1170.4 Subdivision 1 License or Permit required for temporary cannabis events

§1170.4 Subdivision 1.1 License Required

A license or permit is required to be issued and approved by Beltrami County prior to holding a Temporary Cannabis Event.



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§1170.4 Subdivision 1.2 Registration & Application Procedure

A registration fee, as establishing in the Beltrami County's fee schedule, shall be charged to applicants for Temporary Cannabis Events.

§1170.4 Subdivision 1.3 Application Submittal & Review

The Beltrami County Auditor-Treasurer shall require an application for Temporary Cannabis Events.

- A. An applicant for a retail registration shall fill out an application form, as provided by Beltrami County. Said form shall include, but is not limited to:
 - Full name of the property owner and applicant;
 - Address, email address, and telephone number of the applicant;
 - Any other information required by the Beltrami County Auditor/Treasurer's Office.
- B. The applicant shall include with the form:
 - The application fee as required in Section 4.1.2
 - A copy of the OCM cannabis event license application, submitted pursuant to 342.39 subd. 2

The application shall be submitted to Beltrami County Auditor-Treasurer for review. If the designee determines that a submitted application is incomplete, they shall return the application to the applicant with the notice of deficiencies.

- C. Once an application is considered complete, the Beltrami County Auditor-Treasurer shall inform the applicant as such, process the application fees, and approval or deny the application.
- D. The application fee shall be non-refundable once processed.
- E. The application for a license for a Temporary Cannabis Event shall meet the following standards:
 - The buffer requirements as described in Section 3.1
 - Compliance with the Beltrami County Public Gathering Ordinance.
 - Sanitation plan included.
- F. A request for a Temporary Cannabis Event that meets the requirements of this section shall be approved.



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G. A request for a Temporary Cannabis Event that does not meet the requirements of the section shall be denied. Beltrami County shall notify the applicant of the standards not met and basis for denial.

H. Temporary Cannabis Events shall only be held between the hours of 10:00am and 9:00pm.

§1170.4 Subdivision 1.4 Use of Public Property

A. Beltrami County shall not register any temporary event, which seeks host a temporary cannabis event on any property owned or operated by the City of Blackduck. This prohibition includes: any park or trail, public street, county highway, or any public sidewalk, or any building owned or operated by the City of Blackduck.

§1170.4 Subdivision 1.5 On-site Consumption

A. On-site consumption of cannabis during a temporary cannabis event, which occurs at a place of public accommodation, is permitted, provided the place of public accommodation allows such use.

Section 5. Lower-Potency Hemp Edibles

§1170.5 Subdivision 1 Sale of Low-Potency Edibles

The sale of low-potency edibles is permitted, subject to the condition within this section.

§1170.5 Subdivision 2 Zoning Districts

Low-Potency Edibles businesses are permitted use in the following zoning districts:

- B-1 – Central Business
- B-2 – Highway Business
- B-3 – General Business

§1170.5 Subdivision 3 Additional Standards

§1170.5 Subdivision 3.1 Sales within Municipal Liquor Store

The sale of low-potency edibles is permitted in a municipal liquor store.



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§1170.5 Subdivision 3.2 Age Requirements

The sale of low-potency edibles is permitted only in places that admit persons 21 years of age or older.

§1170.5 Subdivision 3.3 Beverages

The sale of low-potency hemp beverages is permitted in places that meet requirements of this section.

§1170.5 Subdivision 3.4 Storage of Product

Low-potency edibles shall be sold behind a counter, and stored in a locked case.

Section 6 City of Blackduck as a Cannabis Retailer

The City of Blackduck may establish, own, and operated one municipal cannabis retail business subject to the restrictions in this chapter.

The municipal cannabis retail store shall not be included in any limitation of the number of registered cannabis retail businesses under Section 2.6.

The City of Blackduck shall be subject to all same rental license requirements and procedures applicable to all other applicants.

Section 7. Use in Public Places

No person shall use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place or a place of public accommodation unless the premises is an establishment or an event licensed to permit on-site consumption of adult-use.



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Section 8. Effective Date

This ordinance shall take effect upon passage and publication as provided by law.
Passed and adopted this ____ day of _____ 2024.

Maxwell Gullette, Mayor

Attested: _____
Christina Regas, City Administrator

First / Final Reading: _____



CITY OF BLACKDUCK ORDINANCE #2024-03

AN ORDINANCE AMENDING CHAPTER 11, BUSINESS REGULATIONS, OF THE CITY CODE PROVIDING FOR SECTION 1180, RELATED TO A LOCAL SALES AND USE TAX

The City Council of Blackduck, Minnesota, ordains:

§1180.01 That Chapter 11 of the City Code is hereby amended providing for Section 1180, related to a local sales and use tax by adding language to read as follows:

§1180.02 Authority

Pursuant to Session Laws 2023, Regular Session, Chapter 64, Article 10, Section 26, the Minnesota Legislature has authorized the City of Blackduck to impose, collect, and administer a local sales and use tax to pay the costs of collecting and administering the tax to the commissioner (defined below) and to finance up to \$100,000, plus an amount equal to interest and the costs of issuance of any bonds, for the payment of capital and administrative costs to finance all or part of the designated project (defined below). The voters of the City of Blackduck approved the imposition of the local sales and use tax at the general election on November 5, 2024.

§1180.03 Definitions

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

1. CITY - The City of Blackduck, Minnesota.
2. COMMISSIONER – The Commissioner of Revenue of the State of Minnesota or a person to whom the Commissioner has delegated functions.
3. DESIGNATED PROJECT: – The rehabilitation of the Blackduck Community Library in the City.
4. STATE SALES AND USE TAX LAWS AND RULES – Those provisions of the state revenue laws applicable to state sales and use tax imposition, administration, collection, and enforcement, including Minn. Statute Chapters 270C, 289A, 297A, and Minn. Rules, Part 8130.
5. 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 from sales at retail



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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.

§1180.04 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. Statute Chapter 297A regarding sales that occur during the transition.

§1180.05 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 article 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. Statute §297A.665. A person who has obtained from the commissioner an exemption certificate pursuant to the Minn. Statutes §297A.72 may use such exemption certificate for the purposes of the sales tax imposed by the City.

§1180.06 Tax Clearance; Issuance of Licenses

(a) Pursuant to Minn. Statute §270C.72, 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 City Clerk of the City that the applicant owes delinquent City taxes as provided in this article, 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.

(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.



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(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.

(1) A copy of the notice of delinquent taxes given to the City Clerk 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 the hearing, then, a contested hearing shall be held under the same procedures as provided in Minn. Statute §270A for the state sales and use tax imposed under Minn. Statute §297A; provided further that if a hearing must be held on the state sales and use tax, the hearings must be combined.

§1180.07 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 article collected but the commissioner and remitted to the City shall be deposited by the director of finance 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 article 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 (a) March 31, 2045, which is the date that is 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 up to \$100,000 of the costs of the designated project, plus an amount sufficient to pay interest and the costs related to issuance of any bonds, as authorized pursuant to City Code §1180. Any funds remaining due to the timing of the termination of the tax under Minn. Statute §297A.99, subdivision 12, after payment of the allowed costs and after retirement or redemption of the bonds, 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 determine by ordinance. In any event, the local sales and use tax imposed under this ordinance may only terminate on the last day of a calendar quarter upon 90 days' notice to the commissioner.

§1180.08 Bonding Authority

The City may issue bonds under Minn. Statute Chapter 475, to finance all or a portion of the costs of the designated project. The aggregate principal amount of the bonds may not exceed: \$100,000 for the designated project, plus associated bonding costs, including interest and the costs of issuance of any 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 ordinance. The issuance of bonds is not subject to Minn. Statute §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



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Minn. Statute §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 Minn. Statute §475.58 is not required.

§1180.09 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 article, or Session Laws 2023, Chapter 64, Article 10, Section 26.

§1180.10 Effective Date. This Ordinance shall be effective April 1, 2025.

This ordinance shall take effect upon passage and publication as provided by law.
Passed and adopted this ____ day of _____ 2024.

Maxwell Gullette, Mayor

Attested: _____
Christina Regas, City Administrator

First / Final Reading: _____