

PUBLIC NOTICE

IDEAL TOWNSHIP  
CROW WING COUNTY  
STATE OF MINNESOTA

Adoption of Ordinance No. 2020-01

AN ORDINANCE ESTABLISHING A LODGING TAX WITHIN THE TOWNSHIP OF IDEAL

The Board of Supervisors for the Town of Ideal, Crow Wing County, Minnesota, hereby ordains that on the 13th day of October 2020, the Ideal Township Board of Supervisors adopted the above Ordinance. Due to the lengthy content of the Ordinance, a brief Summary follows:

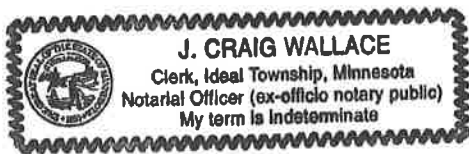
- 1       **Imposition of Tax.** Imposes a tax of 1% of the rent on lodging and related services.
- 2       **Definitions.** Clarifies language used in the Ordinance.
- 3       **Collections.** Operator shall collect the tax at the time the rent is paid.
- 4       **Exemptions.** Identifies the type of Lodging exempt from the tax.
- 5       **Advertising No Tax.** Prohibits Operator from advertising that the Operator will absorb the tax.
- 6       **Payment and Returns.** Identifies how the tax is to be paid by the Operator.
- 7       **Examination of Return, Adjustments, Notices and Demands.** Town shall investigate the return filed by the operator and make any necessary adjustments based on the tax amount due.
- 8       **Refunds.** Identifies the procedure for requesting a refund.
- 9       **Failure to File a Return.** Identifies the consequences for failure to file a return.
- 10       **Penalties.** Identifies the consequences for violation(s) of this Ordinance.
- 11       **Administration of Tax.** Town Board shall administer the tax.
- 12       **Examine Records.** Township may examine records of Operator relating to the tax.
- 13       **Violations.** Unlawful to refuse to file a return, to pay the tax owed or to allow Township to examine records. Violation of the Ordinance is a misdemeanor.
- 14       **Use of Proceeds.** Identifies how the proceeds from the tax will be used.
- 15       **Appeals.** Provides for an appeal process to the Town Board.
- 16       **Amendments.** Provides a process to amend the Ordinance.
- 17       **Separability.** Validity of the Ordinance should a provision be declared invalid.
- 18       **Repeal.** Repeals all inconsistent provisions of prior ordinances.
- 19       **Effective date.** Identifies the effective date of Ordinance.

Ordinance No. 2020-01, "An Ordinance Establishing a Lodging Tax Within the Township of Ideal" shall take effect and be in full force immediately following its adoption and upon publication. A copy of the Ordinance can be viewed by contacting the Town Clerk at (218) 543-4363 or [info@idealtownship.com](mailto:info@idealtownship.com). An additional copy of the Ordinance will also be on file at the local library.

/s/ Dave Peterson, Chairman  
Ideal Township

ATTEST:

/s/ J. Craig Wallace  
Clerk, Ideal Township



**IDEAL TOWNSHIP  
CROWWING COUNTY  
STATE OF MINNESOTA**

**ORDINANCE NO. 2020-01**

**AN ORDINANCE ESTABLISHING A LODGING TAX  
WITHIN THE TOWNSHIP OF IDEAL**

The Ideal Township Board of Supervisors ordains:

**1 IMPOSITION OF TAX**

There is hereby imposed a tax of one percent (1%) on the rent charged by an operation for providing lodging to any person after January 1, 1999. The tax shall be stated and charged separately according to the operators published room-rate price list and shall be collected from the lodger. The tax collected by the operator shall be a debt owed by the operator to the municipality and shall be extinguished only by payment to the municipality. In no case shall the tax imposed by this section upon an operator exceed the amount of tax which the operator is authorized by this chapter to collect from a lodger.

**2 DEFINITIONS**

For the purpose of this Chapter, the following terms, phrases and words, and their derivations shall have the meanings given herein:

1. The term "tax administrator" means the Ideal Township Clerk.
2. The term "municipality" means the Ideal Township.
3. The term "lodging" means the furnishing, for a consideration, of lodging by hotel, motel, resort or rooming house, Airbnb, VRBO, HomeAwayFromHome or other online rental platform except where such lodging shall be for a continuous period of 30 days or more to the same lodger(s). The furnishing of rooms by religious, educational, or non-profit organizations shall not constitute "lodging" for purposes of this chapter.
4. The term "operator" means a person who provided lodging to others or any officer, agent or employee of such person.
5. The term "person" means any individual, corporation, partnership, association, estate, receiver, trustee, executor, administrator, assignee, syndicate, or any other combination of individuals. Whenever the term "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.

6. The term 'rent' means the total consideration valued in money charged for lodging whether paid in money or otherwise, but shall not include any charges for services tendered in connection with furnishing lodging other than the room charge itself.
7. The term "lodger" means the person obtaining lodging from an operator.

### **3 COLLECTIONS**

Each operator shall collect the tax imposed by this chapter at the time the rent is paid. The tax collections shall be deemed to be held in trust by the operator for the municipality. The amount of tax shall be separately stated from the rent charged for the lodging and those persons paying the tax shall receive a receipt of payment from the operator.

### **4 EXEMPTIONS**

An exemption shall be granted to any person as to whom or whose occupancy it is beyond the power of the municipality to tax. No exemption shall be granted except upon a claim therefor made at the time the rent is collected and such a claim shall be made in writing and under penalty of perjury on forms provided by the tax administrator. All such claims shall be forwarded to the tax administrator when the returns and collections are submitted as required by this chapter.

### **5 ADVERTISING NO TAX**

It shall be unlawful for any operator 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 operator, or that it will not be added to the rent or that, if added, it or any part thereof will be refunded. In computing the tax to be collected, amounts of tax less than one cent shall be considered an additional cent.

### **6 PAYMENT AND RETURNS**

The taxes Imposed by this chapter shall be paid by the operator to the tax administrator quarterly not later than 25 days after the end of the quarter in which the taxes were collected. For the purposes of this ordinance the calendar year will be used to determine the quarters (January – March, April – June, July – September, and October – December). At the time of payment, the operator shall submit a return

upon such forms and containing such information as the tax administrator may require. The return shall contain the following minimum information:

1. The total amount of rent collected for lodging during the period covered by the return.
2. The amount of tax required to be collected and due for the period.
3. The signature of the person filing the return or that of his agent duly authorized in writing.
4. The period covered by the return.
5. The amount of uncollectible rental charges subject to the lodging tax.

The operator may offset against the taxes payable with respect to any reporting period, the amount of taxes imposed by this chapter previously paid as a result of any transaction the consideration for which became uncollectible during such reporting period, but only in proportion to the portion of such consideration which became uncollectible.

## **7 EXAMINATION OF RETURN, ADJUSTMENTS, NOTICES AND DEMANDS**

The tax administrator shall, after the return is filed, examine the same and make any investigation or examination of the records and accounts of the person making the return deemed necessary for determining its correctness. The tax computed on the basis of such examination shall be the tax to be paid. If the tax due is found to be greater than that paid, such excess shall be paid to the tax administrator ten days (10) after receipt of a notice thereof given either personally or sent by mail to the address shown on the return, If the tax paid is greater than the tax found to be due, the excess shall be refunded to the person who paid the tax to the tax administrator ten days (10) after determination of such refund.

## **8 REFUNDS**

Any person may apply to the tax administrator for a refund of taxes paid for a prescribed period in excess of the amount legally due for that period provided that no application for refund shall be considered unless filed within one year after such tax was paid, or within one year from the filing of the return, whichever period is the longer. The tax administrator shall examine the claim, make and file written findings thereon denying or allowing the claim in whole or in part and shall mail a notice thereof to such person at the address stated upon the return. If the claim is allowed in whole or part, the tax administrator shall credit the amount of the allowance against any taxes due under this chapter from the claimant and the balance of said allowance, if any, shall be paid by the tax administrator the claimant.

## **9 FAILURE TO FILE A RETURN**

1. If any operator required by this chapter to file a return shall fail to do so within the time prescribed, or shall make, willfully or otherwise, an incorrect, false, or fraudulent return, the operator shall, upon written notice and demand, file such return or corrected return within ten (10) days of receipt of such written notice and shall at the same time pay any tax due on the basis thereof. If such person shall fail to file such return or corrected return the tax administrator shall make a return or corrected return, for such person from such knowledge and information as the tax administrator can obtain, and assess a tax on the basis thereof, which tax (less any payments theretofore made on account of the tax for the taxable period covered by such return) shall be paid upon within ten (10) days of the receipt of written notice and demand for such payment. Any such return or assessment made by the tax administrator shall be prima facie correct and valid, and such person shall have the burden of establishing its incorrectness or invalidity in any action or proceedings in respect thereto.
2. If any portion of a tax imposed by this chapter including penalties thereon, is not paid within thirty (30) days after it is required to be paid the Prosecuting Attorney for the municipality may institute such legal action as may be necessary to recover the amount due plus interest, penalties, the costs and disbursements of any action.
3. Upon a showing a good cause, the tax administrator may grant an operator one thirty (30) day extension of time within which to file a return and make payment of taxes as required by this chapter provided that interest during such period of extension shall be added to the taxes due at the rate of ten percent (10%) per annum.

## **10 PENALTIES**

1. If any tax imposed by this chapter is not paid within the time herein specified for the payment, or any extension thereof, there shall be added thereto a specific penalty equal to ten percent (10%) of the amount remaining unpaid.
2. In case of any failure to make and file a return within the time prescribed by this chapter, unless it is shown that such failure is not due to willful neglect, there shall be added to the tax in addition to the ten percent (10%) specific penalty provided in subd. (a) above, ten percent (10%). If the failure is for not more than thirty (30) days with an additional five percent (5%) for each additional thirty (30) days or fraction thereof during which such failure

continues, not exceeding twenty-five percent (25%) in the aggregate. If the penalty as computed does not exceed \$10, a minimum penalty of \$10 shall be assessed. The amount so added to any tax shall be collected at the same time and the same manner and as a part of the tax unless the tax has been paid before the discovery of the negligence, in which case the amount so added shall be collected in the same manner as the tax.

3. If any person willfully fails to file any return or make any payment required by this chapter, or willfully files a false or fraudulent return or willfully attempts in any manner to evade or defeat any such a tax or payment thereof, there shall also be imposed as a penalty an amount equal to fifty percent (50%) of any tax (less any amounts paid on the basis of such false or fraudulent return) found due for the period to which such return related. The penalty imposed by this subdivision shall be collected as part of the tax and shall be in addition to any other penalties provided by this chapter.
4. All payments received shall be credited first to penalties, next to interest, and then to the tax due.
5. The amount of tax not timely paid, together with any penalty provided by this section shall bear interest at the maximum rate per annum as prescribed by Minn. Stat. Sec. 469.190 from the time such tax should have been paid until paid. Any interest and penalty shall be added to the tax and be collected as part thereof.

## **11 ADMINISTRATION OF TAX**

The tax administrator shall administer and enforce the assessment and collection of the taxes imposed by this chapter. The tax administrator shall cause to be prepared blank forms for the returns and other documents required by this chapter and shall distribute the same throughout the township and furnish them an application, but failure to receive or secure them shall not relieve any person from any obligation required of him under this chapter.

## **12 EXAMINE RECORDS**

The tax administrator and those persons acting on behalf of the tax administrator authorized in writing by the tax administrator or the municipality may examine the books, papers and records of any operator in order to verify the accuracy of any return made, or if no return was made, to ascertain the tax as provided in this chapter. Every such operator is directed and required to give to the said person authorized to examine

the books, papers and records, the means, facilities and opportunity for such examinations and investigations as are hereby authorized.

### **13 VIOLATIONS**

Any person who shall willfully fail to make a return required by this chapter; or who shall fail to pay the tax after written demand for payment or who shall fail to remit the taxes collected or any penalty or interest imposed by this chapter after written demand for such payment or who shall refuse to permit the tax administrator or any duly authorized agents or employees to examine the books, records and papers under his or her control or who shall willfully make any incomplete, false or fraudulent return shall be guilty of a misdemeanor.

### **14 USE OF PROCEEDS**

Five percent (5%) of the proceeds obtained from the collection of taxes pursuant to this chapter shall be paid to the municipality for costs of collection. Ninety-five percent (95%) of the proceeds obtained from the collection of taxes pursuant to this chapter shall be used in accordance with Minnesota Statutes Section 469.190 as the same may be amended from time to time to provide funding to the Whitefish Area Promotion Bureau, a separate entity of the Whitefish Area Lodging Association, as the decision making body for appropriating lodging tax funds for the purpose of marketing and promoting the Whitefish Lakes Area as a tourist or convention destination.

The Whitefish Area Promotion Bureau is to be composed of those operators who collect the local lodging tax at their respective businesses with each business having one vote and the presidents of the Crosslake and Pequot Lakes Chamber of Commerce being designated as ex-officio members without voting power.

### **15 APPEALS**

1. Any operator aggrieved by any notice, order or determination made by the tax administrator under this chapter may file a petition for review of such notice, order or determination detailing the operator's reasons for contesting the notice, order or determination. The petition shall contain the name of the petitioner, the petitioner's address, and the location of the lodging subject to the order, notice or determination.

2. The petition shall be filed with the tax administrator within ten (10) days after the notice, order or determination for which review is sought has been mailed or served upon the person requesting review.
3. Upon receipt of the petition the tax administrator shall set a date and time for a meeting with the petitioner and shall give the petitioner at least ten (10) days prior written notice of the date, time and place of the meeting.
4. At the meeting, the petitioner shall be given an opportunity to show cause why the notice, order or determination should be modified or withdrawn. If the meeting does not result in the matter being resolved to the satisfaction of the petitioner, the petitioner may appeal to the Ideal Township Board of Supervisors.
5. A petitioner seeking to appeal a decision to the Ideal Township Board must file a written notice of appeal with the Township Board, in care of the Township Clerk within ten (10) days after the tax administrator's decision following the Subd. (d) meeting has been mailed to the petitioner. The matter will thereupon be placed on the Board's agenda as soon as is practical. At least five (5) days prior to the hearing before the Township Board the tax administrator shall prepare and serve on the petitioner a Memorandum of Proposed Findings of Fact and Conclusions of Law. A copy of the Memorandum shall be presented to the Township Board at the time of the appeal hearing. The Board shall then review the proposed Findings of Fact and Conclusion to determine whether they are correct.

Upon a determination by the Board that Findings and Conclusions are Incorrect, the board may modify, reverse or affirm the decision of the tax administrator based upon an application of the sections of this chapter and the evidence presented.

## **16 AMENDMENTS**

This Ordinance may be reviewed and amended in the event of any state or county lodging tax law changes.

## **17 SEPARABILITY**

It is hereby declared to be the intention that the several provisions of this Ordinance are separable in accordance with the following: If any court of competent jurisdiction shall adjudge any provision of this Ordinance to be invalid, such judgment shall not



affect any other provisions of this Ordinance not specifically included in said judgment.

**18 REPEAL**

All inconsistent provisions of prior ordinances are hereby repealed.

**19 EFFECTIVE DATE**

This Ordinance shall be in full force and effect from and after its passage and publication in summary format according to law.



\_\_\_\_\_  
Dave Peterson, Chairman

Attest:

  
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J. Craig Wallace, Clerk