

Effective Date: March 7, 2006

Amendments: 04-03-12 **409A** / 01-02-13 **418A** / 07-16-19 **483A** / 12-20-22 **503A**

Section 3.1: City Council

3.1.01 Meetings.

Subd. 1. General. The regular City Council meeting shall be held at 7:00 p.m. on the first and third Tuesday of each month, unless that day is a legal holiday, in which case no meeting shall be held.

State law references: Authority to determine time of regular meetings, Minn. Stats. §412.191, subd. 2.

Subd. 2. Special Meetings. Special meetings may be called by the Mayor or by three Council members. Notice shall be provided as required by law.

State law references: Similar provisions, Minn. Stats. § 412.191, subd. 2.

Subd. 3. Emergency Meetings. Emergency meetings may be called as authorized by statute whenever it is necessary to protect the public health, safety and welfare from harm that would be caused by delay.

Subd. 4. Open Meeting Law. All meetings shall be held in accordance with the Open Meeting Law, as it may be amended from time to time.

State law references: Meetings must be open to the public; exceptions, Minn. Stats. §13D.01.

Subd. 5. Selection of Mayor or City Council Member to Fill Vacancy When No Special Election is Required.

- A. In the event a vacancy in the office of Mayor occurs for a person with less than two years remaining on the term, the City Council will appoint one of the remaining City Councilors then serving to act as Mayor for the remaining term of the vacancy.
- B. In the event a vacancy in the office of City Councilor occurs for a person with less than two years remaining on the term, the City Council may appoint a person qualified to run for the City Council for the seat vacated to serve out the remainder of that term. The City Council should attempt to fill the vacancy as soon as possible.

3.1.02 Roll Call - Quorum

- A. **Procedure When Quorum not in Attendance.** As soon as the Council is called to order, the City Administrator shall proceed to call the names of the members in alphabetical order, noting who are present and who are absent and record the same in the proceedings of the council. If there is not a quorum present, the fact shall be entered on the journal and the council may adjourn or the mayor or, in his or her absence, the City Administrator, may issue a process to any constable or policeman commanding him or her forthwith to summon the absentees.
- B. **Quorum.** Four members of the Council shall constitute a quorum for the transaction of business. The mayor shall be counted in determining whether a quorum is present and may vote on all matters. A majority of all members of the council must vote in favor of the following for such actions to be binding on the entire council:
 - 1. A confirmation;
 - 2. Ordinances and resolutions;
 - 3. Real estate transactions;
 - 4. Appropriating and/or obligating the city.

State law references: Similar provisions, Minn. Stats. § 412.191, subd. 1; Vote required for ordinance adoption, Minn. Stats. § 412.191, subd. 4.

3.1.03 Ordinances.

- A. Every ordinance shall be presented in writing to the Council prior to consideration for passage. Reading of the title shall be sufficient unless full reading is demanded by any member of the Council present, in which case a full reading shall be given. Each member of the Council shall be furnished with a copy of the proposed ordinance at or before consideration by the full Council.
- B. Every ordinance passed by the Council shall be filed with the City Administrator and shall remain on file, open to public inspection and it shall become and remain a part of the permanent files of the city and shall be incorporated into this Code.

Subd. 1 Emergency ordinances.

- A. Emergency ordinances are for the immediate preservation of the public peace, health or safety in which the emergency is defined or declared in a preamble thereto and is adopted by unanimous vote of the council members present.
- B. No prosecution shall be based upon the provisions of any emergency ordinance until midnight on the day of publication. Every emergency ordinance shall automatically stand repealed as of the sixty-first day following the date on which it was adopted, but this shall not prevent reenactment of the ordinance in the manner specified herein if the emergency still exists or as provided for regular ordinances.

Subd. 2. Publication and effect of ordinances. All general ordinances of the City, or a summary thereof as permitted by statute, and all regulations imposing a penalty shall be published in the official paper of the City once within fifteen (15) days of passage and shall take effect on the day after its publication or at a later date if expressly prescribed. The City Administrator or designee shall immediately record such ordinance or resolution, with the affidavit of publication, in a book kept for that purpose. A printed copy of such ordinance or resolution in any book, pamphlet or newspaper, and published or purporting to be published therein by direction of the City Council, shall be prima facie proof of due passage, publication and recording thereof.

3.1.04 Resolutions and Motions.

- A. Every resolution shall be presented and shall be read in full before a vote is taken thereon unless the reading of the resolution is dispensed with by unanimous consent. All other motions shall be stated in full by the presiding officer before they are submitted to the vote of the Council. Motions shall be recorded in full in the minutes of the council meeting except that where a resolution has been formally introduced in writing, it may be referred to by title only and provided that the resolution be numbered and filed in the City Administrator's office as part of the permanent records of the city.
- B. Petitions addressed to the council shall be in writing and be read in full upon presentation. Nothing herein shall be construed to prohibit citizens from appearing before the Council to comment and provide information to the Council should they be recognized by the presiding officer. In addition, citizens will be allowed to present their petitions or communications directly to the Council upon proper notice.

State law references: Ordinance adoption procedures, Minn. Stats. §412.191, subd. 4.

Section 3.2 Elections

3.2.01 Date of Election. City elections shall be held consistent with the provisions of Minnesota Statute which provides that regular city elections of the City shall be held on the first Tuesday after the first Monday in November of each even-numbered year.

(Ordinance - 156A, 139A, 121A)

State law references: City General Election -Date of Election, Minn. Stats. §205.07, subd. 1.

State law references: Elections generally, Minn. Stats. chs. 200-211C; municipal elections, Minn. Stats. ch. 205; city elections generally, Minn. Stats. § 412.02

3.2.02 Primary Election Date. To the extent necessary, the City shall hold a primary election for all City elections on the same day as the State primary election of any year in which a municipal general election is to be held.

3.2.03 Wards. That the City of Cloquet shall be divided into five election wards more particularly described as follows, to-wit:

- A. Ward 1.** The external boundary lines of Ward One are as follows:
Commencing at the Southeast corner of the City limits of the City of Cloquet; thence Northerly along the Easterly boundary line of the City of Cloquet to the Southerly boundary line of the City of Scanlon; thence Westerly along the Southerly boundary line of the City of Scanlon to the Southwest corner of the City of Scanlon; thence Northerly along the Westerly boundary line of the City of Scanlon to the intersection of 22nd Street and Washington Avenue; thence Westerly along the centerline of Washington Avenue to the intersection of Washington Avenue and 14th Street; thence Northerly along the centerline of 14th Street to the intersection of 14th Street and Doddridge Avenue; thence Westerly along the centerline of Doddridge Avenue to the intersection of Doddridge Avenue and County State Aid Highway No. 7 and Highway 33; thence Westerly along the centerline of County State Aid Highway No. 7 to the intersection of County State Aid Highway No. 7 and Pinewood Drive; thence Southerly along the centerline of Pinewood Drive extended Southerly to the intersection of White Pine Trail and the extension of Pinewood Drive; thence easterly along the centerline of White Pine Trail to the intersection of White Pine Trail and Spring Lake Road; thence Southerly along the centerline of Spring Lake Road extended in a straight line to the centerline of Otter Creek; thence Southerly along the centerline of Otter Creek to the Southerly boundary line of the City of Cloquet; thence Easterly along the Southerly boundary line of the City of Cloquet to the point of beginning, the Southeast corner of the City limits of the City of Cloquet.
- B. Ward 2.** The external boundary lines of Ward Two are as follows:
Commencing at the intersection of Washington Avenue and 22nd Street; thence Westerly along the centerline of Washington Avenue to the intersection of Washington Avenue and 14th Street; thence Northerly along the centerline of 14th Street to the intersection of 14th Street and Avenue B; thence Westerly along the centerline of Avenue B to the intersection of Avenue B and Broadway Street; thence Northerly along the centerline of Broadway Street extended Northerly to the intersection of the centerline of Broadway Street extended Northerly and the Southerly boundary line of the St. Louis River; thence Easterly along the Southerly boundary line of the St. Louis River to the intersection of the centerline of Prospect Avenue extended in a straight line Easterly to the St. Louis River; thence Westerly along the extended centerline of Prospect Avenue to the intersection of the extended centerline of Prospect Avenue and 22nd Street; thence Southerly along the centerline of 22nd Street to the point of beginning, the intersection of Washington Avenue and 22nd Street.

- C. **Ward 3.** The external boundary lines of Ward Three are as follows:
Commencing at the intersection of 14th Street and Doddridge Avenue; thence Northerly along the centerline of 14th Street to the intersection of 14th Street and Avenue B; thence Westerly along the centerline of Avenue B to the intersection of Avenue B and Broadway Street; thence Southerly along the centerline of Broadway Street to the intersection of Broadway Street and Cloquet Avenue; thence Easterly along Cloquet Avenue to the intersection of Cloquet Avenue and Highway 33; thence Southerly along the centerline of Highway 33 to the intersection of Highway 33 and Doddridge Avenue; thence easterly along the centerline of Doddridge Avenue to the point of beginning, the intersection of 14th Street and Doddridge Avenue.
- D. **Ward 4.** The external boundary lines of Ward Four are as follows:
Commencing at the intersection of County State Aid Highway No. 7 and Highway 33; thence Northerly along the centerline of Highway 33 to the intersection of Highway 33 and Cloquet Avenue; thence Westerly along the centerline of Cloquet Avenue to the intersection of Cloquet Avenue and Broadway Street; thence Northerly along the centerline of Broadway Street extended Northerly to the intersection of the centerline of Broadway Street extended Northerly and the Northerly boundary line of the St. Louis River; thence Northwesterly along the Northerly boundary line of the St. Louis River to the intersection of the Northerly boundary line of the St. Louis River and the intersection of the centerline of the Jarvi Road extended in a straight line Easterly to the Northerly boundary line of the St. Louis River; thence Westerly along the extended centerline of the Jarvi Road to the intersection of the Jarvi Road and the Brevator Road; thence Southerly along the centerline of the Brevator Road to the intersection of the Brevator Road and County State Aid Highway No. 7; thence Southerly along the centerline of University Road to its intersection with Airport Road; thence Southerly along the centerline of Cartwright Road to the intersection of Cartwright Road and the Moorhead Road; thence Easterly along the centerline of the Moorhead Road to the centerline of Otter Creek; thence Northerly along the centerline of Otter Creek to the intersection of the centerline of Spring Lake Road extended in a straight line to the centerline of Otter Creek; thence Northerly along the centerline of Spring Lake Road to the intersection of Spring Lake Road and White Pine Trail; thence Westerly along the centerline of White Pine Trail to the intersection of White Pine Trail and the centerline of Pinewood Drive extended; thence in a straight line northerly along the centerline of Pinewood Drive extended to the intersection of Pinewood Drive and County State Aid Highway No. 7; thence Easterly along the centerline of County State Aid Highway No. 7 to the point of beginning, the intersection of County State Aid Highway No. 7 and Highway 33.
- E. **Ward 5.** The external boundary lines of Ward Five are as follows:
Ward Five shall consist of all the remaining portion of the City of Cloquet, excluding therefrom Wards 1, 2, 3 and 4.
(Ordinances, 188A, 189A, 132A, 100A, 215)
State law references: Wards, Minn. Stats. § 205.84.

3.2.04 Special Elections Definitions. The following terms shall have the following meanings:

- A. **City.** The City of Cloquet, County of Carlton, State of Minnesota.
- B. **General Election.** A “general election” is an election held at regular intervals on a day determined by law or charter at which the voters of the state or any of its subdivisions choose by ballot public officials or presidential electors.
- C. **Special Election.** A “special election” is an election held at any other time permitted by statute to fill vacancies in municipal public offices which are the following:

- Second Tuesday in February
- Second Tuesday in April
- Second Tuesday in May
- Second Tuesday in August
- First Tuesday after the first Monday in November

D. **Vacancy.** A vacancy occurs for the reasons stated in Minnesota Statute Section 351.02 or other state law.

3.2.05 Appointment to Vacancy. Pursuant to Minnesota Statute 412.02, subd. 2a, a person shall be appointed by the Mayor and City Council to fill the vacancy until the special election is held and the winner of the special election is qualified to take office.

3.2.06 Special Election Timing. If a vacancy occurs and a special election to fill the unexpired term is required pursuant to Minnesota Statute Section 412.02, subd. 2a, or it is more than one year until the next regular city general election, then a special election to fill the vacancy shall be held prior to the next regular city general election. The special election will be held on one of the days permitted by statute as set forth in Section 1 but no later than one hundred and eighty (180) days after the date of the vacancy.

3.2.07 No Requirement of Primary in Special Elections. The City Council maintains it is important that the voters be permitted to fill a vacancy as soon as practicable after a vacancy is created. Therefore, in instances where it is necessary to conduct a special election as provided herein, no separate primary will be required and the person receiving the highest number of votes in the special election will be deemed the winner of the special election regardless of the number of candidates filing.

3.2.08 Severability. If any provision of this ordinance is found to be invalid for any reason by a court of competent jurisdiction, the validity of the remaining provisions shall not be affected.

Section 3.3: General Provisions Applicable to Officials

3.3.01 Elected Officials. The elected officials of the city shall be the mayor and six council members all who shall be elected to four-year terms as otherwise prescribed in Chapter Two of this Code.

3.3.02 Appointed Officials. The following shall be the appointed officials of the City who shall be appointed in a manner prescribed by the city council and for the term indicated:

<u>Official</u>	<u>How Appointed</u>	<u>Term</u>
City Attorney	City Council	Annual
City Engineer	City Council	Indefinite
City Assessor	City Council	Indefinite
Chief of Police	City Council	Indefinite
Chief of Fire Dept.	City Council	Indefinite
City Administrator	City Council	Indefinite
City Auditor	City Council	Annual
Affirmative Action Officer	City Council	Indefinite
Finance Director	City Council	Indefinite

3.3.03 Oaths and Bonds. Elected and appointed officials shall take and file the official oath within ten (10) days after notice of their election or appointment as provided by Minnesota Statute, and shall execute and file the official bond as required by Statutes and this municipal code.

3.3.04 Removals

- A. **Elected Officials.** Elected officials may be removed by the City Council as provided by Minnesota Statute Chapter 351 or any subsequently adopted state statute addressing this issue.
- B. **Appointed Officials.** Appointed officials may be removed as provided in this Code and consistent with Minnesota Statute Chapter 351 or any subsequently adopted provisions.

3.3.05 Vacancies

- A. **How Occurring.** Vacancies in elective and appointive positions are caused as provided in Minnesota Statute Chapter 351 and are addressed by those provisions or any subsequently adopted provisions.
State law reference: Minnesota Statutes 412.02.
- B. **How Filled.** Vacancies in elective and appointive offices shall be filled as provided in Chapter 351 of the Minnesota Statutes or any subsequently adopted provisions.
State law reference: Minnesota Statutes 412.02.

3.3.06 Receipt of Gifts and Gratuities

- A. **Restricted.** No city employee or official shall receive or offer to receive, either directly or indirectly, any gift, gratuity or other thing of value which he or she is not authorized to receive from any person who:
 - 1. Has or is seeking to obtain contractual or other business or financial relationships with the City or City Council;
 - 2. Conducts operations or activities which are regulated by the City or City Council; or

3. Has interests which may be substantially affected by the City or City council. While city policy actively discourages blood relatives of existing city officials and full-time employees from being hired or appointed in a full-time working capacity for the city, nothing contained herein shall be construed to prohibit or discourage the hiring of blood relatives of existing appointed officials or full-time employees, so long as such hiring is for a temporary or part-time position with the City and the applicant is deemed qualified for the position.
- B. **Penalty.** The receipt of any gift, gratuity or other thing of value as denoted above is contrary to the public policy of the city and is punishable as provided by Minnesota Statutes and shall also be punishable under this municipal code as a misdemeanor.

Section 3.4: Special Taxes

3.4.01 City Lodging Tax.

Subd. 1 Establishment. The City hereby imposes a tax of three percent (3%) on the gross receipts from the furnishing for consideration of lodging at a motel, hotel, tourist court or other use of space by a transient within the City other than the renting or leasing of the space for a continuous period of thirty (30) days or more.

Subd. 2 Personal Obligation. The tax authorized herewith shall be the personal obligation of the operator of any such motel, hotel, or other space used by a transient and shall constitute a debt owed to the City by the operator extinguishable only by payment to the City. The operator shall be defined to be the person who is the proprietor of the hotel, whether in the capacity of owner, lessee, sublessee, licensee, or any other capacity.

Subd. 3 Collection. The tax shall be collected by the operator at the time the payment for the lodging is made and shall be remitted to the City on or before the 25th day of the month following the month within which the tax is collected.

Subd. 4 Administrative Regulations. The City Administrator shall be authorized to establish administrative regulations to effect the collection of the tax, and any interest and penalties thereon.

Subd. 5 Failure to Pay. Any operator failing to make payment by the 25th day of the month as specified in Subdivision 3 of this Section shall be required to pay a penalty of five percent (5%) of the tax amount remaining unpaid, and thereafter an additional penalty of ten percent (10%) if the tax is not paid within thirty (30) days thereafter; also, interest at the rate of seven percent (7%) per annum shall be paid in addition to the penalties on the amount of tax remaining unpaid until the tax shall have been paid in full.

The City Attorney shall be authorized to commence such legal action as shall be necessary to collect all taxes, interest, and penalties due under this Section. The Council shall also have the authority to assess all unpaid amounts to the county auditor for collection in conjunction with real estate taxes.

Subd. 6 Expenditure. At least ninety-five percent (95%) of the gross proceeds derived from the tax imposed by this Section shall be used by the City for the purposes of marketing and promoting the City as a tourist and convention center, with the balance of the gross proceeds to be used to provide reimbursement for administrative costs of collection and administration of tax by the City.

(Ordinances - 196A, 182A, 181A, 173A, 172A, 171A)

3.4.02 Sales and Use Tax.

Subd. 1 Authority. At the general election held November 6, 2012, the voters of the City of Cloquet approved the imposition of a one-half of one percent sales and use tax to finance the costs of improvements to City parks, trails and recreation areas and street and utility infrastructure as authorized in City Resolution 12-56 approved April 3rd, 2012.

The Minnesota legislature has, by the laws of Minnesota for 2011, 1ST Special Session, chapter 7, article 4, section 10, subdivision 1, authorized the city to impose an additional sales and use tax within the City to provide revenues to finance the costs of improvements to City parks, trails and recreation areas and street and utility infrastructure. The amount of revenue from the tax imposed that may be used to finance the improvements and any associated costs is limited to \$16,500,000.00. The city approved the act in accordance with applicable law.

Subd. 2 Definitions. The words, terms and phrases used in this chapter shall have the meaning ascribed to them in Minnesota Statutes § 297A except where the context clearly indicates otherwise. In addition, the following definitions shall apply:

- A. “Act” shall mean the laws of Minnesota for 2011, chapter 7, article 4, section 10, or as may be amended.
- B. “Chapter” shall mean this chapter in its present form and as subsequently codified in the city code.
- C. “City” shall mean the City of Cloquet.
- D. “Commissioner” shall mean the commissioner of revenue for the state acting under the authority of an agreement entered into between the city and the state pursuant to the act, or such other person or entity designated to administer and collect the city's sales and use tax.
- E. “Director” shall mean the Finance Director of the City.
- F. “Retailer Maintaining a Place of Business in the City or any like term” shall mean any retailer having or maintaining within the City, directly or by a subsidiary or an affiliate, an office, place of distribution, sales or sample room or place, warehouse or other place of business, or having any representative, including an affiliate, agent, sales person, canvasser or solicitor operating in the City under the authority of the retailer or its subsidiary, for any purpose, including the repairing, selling delivering, installation, or soliciting of order of the retailer's goods or services, or the leasing of tangible personal property located in the City, whether the place of business or agent, representative, affiliate, sales person, canvasser, or solicitor, is located in the City permanently or temporarily, or whether or not the retailer or subsidiary is authorized to do business within the City.
- G. “Cloquet Sales and Use Tax” shall mean the sales and use tax imposed and collected pursuant to this chapter.

Subd. 3 Sales and Use Tax. Except as otherwise provided in this chapter, there is hereby imposed an additional sales and use tax in the amount of one-half of one percent of the gross receipts from the sales at retail, and the storage, use, distribution or consumption of goods or services which are taxable, pursuant to Minnesota Statutes, Chapter 297A and occur within the City. The imposition, administration, collection and enforcement of this tax shall be governed by the provisions of Minnesota Statute Chapters 297A, 270C, and 289A.

Subd. 4 Separate Statement; Collection from Purchaser, Advertising No Tax, Minimum Uniform Tax Collection Methods. The Cloquet sales and use tax shall be stated and charged separately from the sales price or charge for service insofar as practical, and should be a debt from the purchaser to the seller recoverable at law in the same manner as other debts. In computing the tax to be collected as a result of any transaction, any amount of tax less than one-half of one cent may be disregarded and amounts of tax one-half cent or more may be considered an additional cent. If the sales price of any sale at retail is ninety-nine cents or less, no tax shall be collected.

Subd. 5 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 Minnesota Statutes §297A.665. A person who has obtained from the Commissioner an exemption certificate pursuant to the Minnesota Statute §297A may use such exemption certificate for the purposes of the sales tax imposed by the City.

Subd. 6 Presumption of Purpose of Sale. For the purpose of the proper administration and enforcement of §12.03 of this chapter, it shall be presumed that all retail sales for delivery in the City are for storage, use, or other consumption in the City until the contrary is established.

Subd. 7 Collection of Sales and Use Tax at Time of Sale.

- A. Any retailer making deliveries within the City, any retailer maintaining a place of business in the City, or any other retailer otherwise doing business within the City, upon making sales of any items described in 3.4.02, Subd. 3 which are not exempted from the sales tax imposed under that section and which are to be delivered or caused to be delivered within the City to the purchaser, shall at the time of making such sales collect the sales and use tax from the purchaser. The tax collected by such retailer shall be remitted to the Commissioner on behalf of the City.
- B. Any retailer required to collect the Cloquet sales and use tax and remit such tax to the Commissioner pursuant to this section shall register with the Commissioner and provide such other information as the Commissioner may require.

Subd. 8 Agent of Retailer. When in the opinion of the Commissioner it is necessary for the efficient administration of the tax, the Commissioner may regard any salesman, representative, trucker, peddler or canvasser as the agent of the dealer, distributor, supervisor, employer or other person under whom such salesman, representative, trucker, peddler or canvasser operated or from whom the tangible property is being sold is obtained, and may regard the dealer, distributor, supervisor, employer or other person as a retailer for the purposes of this chapter.

Subd. 9 Effective Date, Transitional Sales. Except as otherwise provided herein, the Cloquet sales and use tax authorized by this chapter shall apply to sales made on or after April 1, 2013 and shall be in addition to all other taxes now in effect. The Cloquet sales and use tax shall not apply to the following:

- A. The gross receipts from the purchase or lease of tangible personal property made under an enforceable contract entered into before April 1, 2013, provided that delivery or possession of items is taken on or before June 1, 2013.
- B. The gross receipts from the purchase of taxable services, including utility services, if billing period includes charges for services furnished before and after April 1, 2013. However, the sales and use tax shall apply to all purchases of taxable services, including utility services, if the billing period begins with services furnished on or after April 1, 2013.
- C. The gross receipts from the purchase of construction materials used to complete a lump sum or fixed price construction contract that was signed and enforceable before April 1, 2013, and that does not provide for an allocation of future taxes, provided that the construction materials are used exclusively in performing the contract and the materials are delivered before September 1, 2013.

Subd. 10 Collection and Enforcement. The Cloquet sales and use tax imposed by the City pursuant to this chapter shall be subject to the same interests, penalties, and other rules as are applicable to the State general sales tax imposed by Minnesota Statutes Chapter 289A and 297A. The Cloquet sales and use tax imposed by the City pursuant to this chapter may be collected by the State on behalf of the City as provided by an appropriate agreement with the Minnesota Commissioner or Revenue. The Cloquet sales and use tax imposed by the City pursuant to the chapter shall expire either upon a determination by the Cloquet City Council that sufficient funds have been received from the taxes to finance improvements and to prepay or retire at maturity the principle, interest, and premium due on any bonds, including refunding bonds, issued by the City of Cloquet; or, a maximum collection of \$16,500,000.00 of the sales and use tax collected pursuant to this Chapter. Any funds remaining after completion of improvements and retirement or redemption of the bonds may be placed in the General Fund of the City of Cloquet.

Subd. 11 Tax Clearance; Issuance of Licenses. The City may not issue or renew a license for the conduct of trade or business in the City if the Commissioner notifies the City that the applicant for such license owes delinquent Cloquet sales and use taxes as provided in this chapter, or penalties or interest due on such taxes. For the purposes of this section, the following terms have the following meanings:

- A. Cloquet sales and use taxes include sales and use tax as provided in this chapter including all penalties and interest due on said sales and use taxes.
- B. Delinquent taxes do not include a tax liability if:
 - 1. In administrative or court action which contests the amount or validity of the liability has been filed or served;
 - 2. The appeal period to contest tax liability has not expired; or
 - 3. The applicant has entered into a payment agreement and is current with the payments.
- C. Applicant shall mean 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.
- D. A copy of the notice of delinquent taxes given to 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 thirty (30) days of the receipt of the notice of delinquent taxes, then a contested case hearing shall be held by the Commissioner under the same procedures as provided in Minnesota Statutes, Section 270C.72 for the State sales and use tax imposed under Minnesota Statutes, Chapter 297A, provided that if a hearing must be held on the State sales and use tax, hearings may be combined.

Subd. 12 Termination of Taxes. The taxes imposed expire at the earlier of (1) 30 years, or (2) when the city council determines that the amount of revenues received from the taxes to finance the improvements first equal or exceeds \$16,500,000, plus additional amounts needed to pay the costs related to issuance of bonds, including interest on the bonds. Any funds remaining after completion of the project and retirement or redemption of the bonds may be placed in the general fund of the city. The taxes imposed may expire at an earlier time if the city so determines by ordinance.

3.4.03 Motor Vehicle Excise Tax.

Subd. 1 Authority. The Minnesota legislature has, by the laws of Minnesota for 2011, chapter 7, article 4, section 10, subd. 2, authorized the city to impose an excise tax of up to \$20 per motor vehicle from any person engaged within the city in the business of selling motor vehicles at retail.

Subd. 2 Definitions. The words, terms and phrases used in this chapter shall have the meaning ascribed to them in Minnesota Statutes §297A except where the context clearly indicates otherwise. In addition, the following definitions shall apply:

- A. “**Act**” shall mean the laws of Minnesota for 2011, chapter 7, article 4, section 10, subd 2. or as may be amended.
- B. “**Chapter**” shall mean this chapter in its present form and as subsequently codified in the city code.
- C. “**City**” shall mean the City of Cloquet.
- D. “**Director**” shall mean the Finance Director of the City.
- E. “**Motor vehicle**” shall mean any of the following as otherwise defined by Minnesota Statutes, Section 168.011: a. passenger automobile; b. bus or intercity bus; c. truck; d. truck-tractor; e. motorcycle; f. van; g. pickup truck; h. recreational vehicle.

- F. **“Dealer”** shall mean a person as defined by Minnesota Statutes, Section 168.011, subd 21, and licensed by the commissioner of public safety pursuant to Minnesota Statutes, Chapter 168, and engaged in the city in the business of selling motor vehicles at retail.
- G. **“Sale, sells, selling, purchase or acquired”** shall mean the acts described in Minnesota Statutes, Section 297B.01, subd. 7.

Subd. 3 Excise Tax Imposed: Certain Motor Vehicle Sales by Dealers. There is hereby imposed pursuant to the Act an excise tax of up to \$20 per motor vehicle sold by a dealer in the city.

Subd. 4 Collection of Tax: Dealer’s Responsibility. A dealer who sells a motor vehicle shall collect from the purchaser, at the time of the sale, the tax imposed herein shall be a person obligation of the dealer and the proceeds of such tax collected shall be thereafter paid over to the city under such circumstances as may be established from time to time by the director.

Subd. 5 Authority of Director; Investigatory Powers; Enforcement.

- A. The director is authorized to establish rules and procedures to implement the collection of the excise tax imposed by Section 3.4.03.
- B. For the purpose of determining the correctness of any return or of determining whether any person should have made a return or paid taxes or for the purpose of collection of any such taxes hereunder, the director shall have power to examine, or cause to be examined, any books, papers, records, or memoranda, which may be relevant to making such determinations, whether such books, papers, records, or memoranda, are the property of or in the possession of such person or any other person. They shall have power to require the attendance of any person having knowledge or information which may be relevant, to compel the production of book, papers, records, or memoranda by persons so required to attend, to take testimony on matters material to such determination, and to administer oaths or affirmations.
- C. Any unpaid obligation of a dealer to the city under Section 3.4.03 may be collected by a judicial proceeding brought in the name of the city in the district court of Carlton County.

Subd. 6 Penalties. It is a misdemeanor for a dealer to violate Section 3.4.03.

Subd. 7 Termination of Taxes. The taxes imposed expire at the earlier of (1) 30 years, or (2) when the city council determines that the amount of revenues received from the taxes to finance the improvements first equal or exceeds \$16,500,000, plus additional amounts needed to pay the costs related to issuance of bonds, including interest on the bonds. Any funds remaining after completion of the project and retirement or redemption of the bonds may be placed in the general fund of the city. The taxes imposed may expire at an earlier time if the city so determines by ordinance.

3.4.04 Sales and Use Tax.

Subd. 1 Authority. At the general election held November 8, 2022, the voters of the City of Cloquet approved the imposition of a one-half of one percent sales and use tax to finance the costs of improvements to Pine Valley Park and the Cloquet Ice Arenas as authorized in City Resolution 21-34 approved July 20, 2021.

The Minnesota legislature has, by the laws of Minnesota for 2021, 1ST Special Session, chapter 14, article 8, section 4, Special Session, authorized the city to impose an additional sales and use tax within the City to provide revenues to finance the costs of improvements to Pine Valley Park and Cloquet Ice Arenas. The amount of revenue from the tax imposed that may be used to finance the improvements and any associated costs is limited to \$8,150,200.00. The city approved the act in accordance with applicable law.

Subd. 2 Definitions. The words, terms and phrases used in this chapter shall have the meaning ascribed to them in Minnesota Statutes § 297A except where the context clearly indicates otherwise. In addition, the following definitions shall apply:

- A. **“Act”** shall mean the laws of Minnesota for 2021, chapter 14, article 8, section 4, or as may be amended.
- B. **“Chapter”** shall mean this chapter in its present form and as subsequently codified in the city code.
- C. **“City”** shall mean the City of Cloquet.
- D. **“Commissioner”** shall mean the commissioner of revenue for the state acting under the authority of an agreement entered into between the city and the state pursuant to the act, or such other person or entity designated to administer and collect the city's sales and use tax.
- E. **“Director”** shall mean the Finance Director of the City.
- F. **“Retailer Maintaining a Place of Business in the City or any like term”** shall mean any retailer having or maintaining within the City, directly or by a subsidiary or an affiliate, an office, place of distribution, sales or sample room or place, warehouse or other place of business, or having any representative, including an affiliate, agent, sales person, canvasser or solicitor operating in the City under the authority of the retailer or its subsidiary, for any purpose, including the repairing, selling delivering, installation, or soliciting of order of the retailer's goods or services, or the leasing of tangible personal property located in the City, whether the place of business or agent, representative, affiliate, sales person, canvasser, or solicitor, is located in the City permanently or temporarily, or whether or not the retailer or subsidiary is authorized to do business within the City.
- G. **“Cloquet Sales and Use Tax”** shall mean the sales and use tax imposed and collected pursuant to this chapter.

Subd. 3 Sales and Use Tax. Except as otherwise provided in this chapter, there is hereby imposed an additional sales and use tax in the amount of one-half of one percent of the gross receipts from the sales at retail, and the storage, use, distribution or consumption of goods or services which are taxable, pursuant to Minnesota Statutes, Chapter 297A and occur within the City. The imposition, administration, collection and enforcement of this tax shall be governed by the provisions of Minnesota Statute Chapters 297A, 270C, and 289A.

Subd. 4 Separate Statement; Collection from Purchaser, Advertising No Tax, Minimum Uniform Tax Collection Methods. The Cloquet sales and use tax shall be stated and charged separately from the sales price or charge for service insofar as practical, and should be a debt from the purchaser to the seller recoverable at law in the same manner as other debts. In computing the tax to be collected as a result of any transaction, any amount of tax less than one-half of one cent may be disregarded and amounts of tax one-half cent or more may be considered an additional cent. If the sales price of any sale at retail is ninety-nine cents or less, no tax shall be collected.

Subd. 5 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 Minnesota Statutes §297A.665. A person who has obtained from the Commissioner an exemption certificate pursuant to the Minnesota Statute §297A may use such exemption certificate for the purposes of the sales tax imposed by the City.

Subd. 6 Presumption of Purpose of Sale. For the purpose of the proper administration and enforcement of §12.03 of this chapter, it shall be presumed that all retail sales for delivery in the City are for storage, use, or other consumption in the City until the contrary is established.

Subd. 7 Collection of Sales and Use Tax at Time of Sale.

- A. Any retailer making deliveries within the City, any retailer maintaining a place of business in the City, or any other retailer otherwise doing business within the City, upon making sales of any items described in 3.4.02, Subd. 3 which are not exempted from the sales tax imposed under that section and which are to be delivered or caused to be delivered within the City to the purchaser, shall at the time of making such sales collect the sales and use tax from the purchaser. The tax collected by such retailer shall be remitted to the Commissioner on behalf of the City.
- B. Any retailer required to collect the Cloquet sales and use tax and remit such tax to the Commissioner pursuant to this section shall register with the Commissioner and provide such other information as the Commissioner may require.

Subd. 8 Agent of Retailer. When in the opinion of the Commissioner it is necessary for the efficient administration of the tax, the Commissioner may regard any salesman, representative, trucker, peddler or canvasser as the agent of the dealer, distributor, supervisor, employer or other person under whom such salesman, representative, trucker, peddler or canvasser operated or from whom the tangible property is being sold is obtained, and may regard the dealer, distributor, supervisor, employer or other person as a retailer for the purposes of this chapter.

Subd. 9 Effective Date, Transitional Sales. Except as otherwise provided herein, the Cloquet sales and use tax authorized by this chapter shall apply to sales made on or after April 1, 2023 and shall be in addition to all other taxes now in effect. The Cloquet sales and use tax shall not apply to the following:

- A. The gross receipts from the purchase or lease of tangible personal property made under an enforceable contract entered into before April 1, 2023, provided that delivery or possession of items is taken on or before June 1, 2023.
- B. The gross receipts from the purchase of taxable services, including utility services, if billing period includes charges for services furnished before and after April 1, 2023. However, the sales and use tax shall apply to all purchases of taxable services, including utility services, if the billing period begins with services furnished on or after April 1, 2023.
- C. The gross receipts from the purchase of construction materials used to complete a lump sum or fixed price construction contract that was signed and enforceable before April 1, 2023, and that does not provide for an allocation of future taxes, provided that the construction materials are used exclusively in performing the contract and the materials are delivered before September 1, 2023.

Subd. 10 Collection and Enforcement. The Cloquet sales and use tax imposed by the City pursuant to this chapter shall be subject to the same interests, penalties, and other rules as are applicable to the State general sales tax imposed by Minnesota Statutes Chapter 289A and 297A. The Cloquet sales and use tax imposed by the City pursuant to this chapter may be collected by the State on behalf of the City as provided by an appropriate agreement with the Minnesota Commissioner or Revenue. The Cloquet sales and use tax imposed by the City pursuant to the chapter shall expire either upon a determination by the Cloquet City Council that sufficient funds have been received from the taxes to finance improvements and to prepay or retire at maturity the principle, interest, and premium due on any bonds, including refunding bonds, issued by the City of Cloquet; or, a maximum collection of \$8,150,200.00 of the sales and use tax collected pursuant to this Chapter. Any funds remaining after completion of improvements and retirement or redemption of the bonds may be placed in the General Fund of the City of Cloquet.

Subd. 11 Tax Clearance; Issuance of Licenses. The City may not issue or renew a license for the conduct of trade or business in the City if the Commissioner notifies the City that the applicant for such license owes delinquent Cloquet sales and use taxes as provided in this chapter, or penalties or interest due on such taxes. For the purposes of this section, the following terms have the following meanings:

- A. Cloquet sales and use taxes include sales and use tax as provided in this chapter including all penalties and interest due on said sales and use taxes.
- B. Delinquent taxes do not include a tax liability if:
 - 1. In administrative or court action which contests the amount or validity of the liability has been filed or served;
 - 2. The appeal period to contest tax liability has not expired; or
 - 3. The applicant has entered into a payment agreement and is current with the payments.
- C. Applicant shall mean 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.
- D. A copy of the notice of delinquent taxes given to 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 thirty (30) days of the receipt of the notice of delinquent taxes, then a contested case hearing shall be held by the Commissioner under the same procedures as provided in Minnesota Statutes, Section 270C.72 for the State sales and use tax imposed under Minnesota Statutes, Chapter 297A, provided that if a hearing must be held on the State sales and use tax, hearings may be combined.

Subd. 12 Termination of Taxes. The taxes imposed expire at the earlier of (1) 10 years, or (2) when the city council determines that the amount of revenues received from the taxes to finance the improvements first equal or exceeds \$8,150,200.00, plus additional amounts needed to pay the costs related to issuance of bonds, including interest on the bonds. Any funds remaining after completion of the project and retirement or redemption of the bonds may be placed in the general fund of the city. The taxes imposed may expire at an earlier time if the city so determines by ordinance.