

COUNTY OF JACKSON
STATE OF MINNEOSTA

ORDINANCE NO. 113

AN ORDINANCE IMPOSING A LOCAL SALES AND USE TAX

Pursuant to Minnesota Statutes, Section 375.51, the Jackson County Board of Commissioners of the County of Jackson, Minnesota, ordains:

(a) *Authority.* Pursuant to Minnesota Session Laws 2023, Regular Session, Chapter 64, Article 10, Section 39 (the “Special Law”), the Minnesota Legislature has authorized the County of Jackson, Minnesota (the “County”), to impose a local sales and use tax to provide revenues to pay the costs of collecting and administering the tax to the Commissioner (defined below) and to finance up to \$39,000,000, plus an amount equal to interest and the costs of issuance of any bonds, for the payment of capital and administrative costs related to the funding of the Designated Projects (defined below).

(b) *Definitions.* For purposes of this Ordinance, the following words, terms, and phrases have the following meanings given them unless the language or context clearly indicates a different meaning is intended.

(1) Board of Commissioners. “Board of Commissioners” means the Jackson County Board of Commissioners of the County.

(2) County. “County” means the County of Jackson, Minnesota.

(3) Commissioner. “Commissioner” means the Commissioner of Revenue of the State of Minnesota or a person to whom the Commissioner of Revenue has delegated functions.

(4) Designated Projects. “Designated Projects” means the construction of a law enforcement center and government center in the County, as authorized by the Minnesota Legislature in the Special Law and approved by the voters at the November 5, 2024, referendum.

(5) Special Law. “Special Law” has the meaning set forth in paragraph (a) above.

(6) State Sales and Use Tax Laws and Rules. “State Sales and Use Tax Laws and Rules” means those provisions of the state revenue laws applicable to state sales and use tax imposition, administration, collection, and enforcement, including Minnesota Statutes, Chapters 270C, 289A, and 297A, and Minnesota Rules, Chapter 8130, as amended from time to time.

(c) *Local sales and use tax imposed; amount of tax; coordination with State Sales and Use Tax Laws and Rules.* A local sales tax is imposed in the amount of one percent (1.00%) on the gross receipts from sales at retail sourced within the jurisdictional limits of the County that are taxable under the State Sales and Use Tax Laws and Rules. A local use tax is imposed in the amount of one percent (1.00%) on the storage, use, distribution or consumption of goods or services sourced within the jurisdictional limits of the County that 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 Ordinance. The local sales and use tax imposed by this Ordinance 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.

(d) *Effective date of tax; transitional sales.* Except as otherwise provided herein, the local sales and use tax imposed by this Ordinance shall apply to sales and purchases made on or after April 1, 2025. The local sales and use tax imposed by this Ordinance shall not apply to:

(1) The gross receipts from retail sales or leases of tangible personal property made pursuant to a bona fide written contract, which unconditionally vests the rights and obligations of the parties thereto, provided that such contract was enforceable prior to April 1, 2025, and that delivery of the tangible personal property subject thereto is made on or before April 1, 2025.

(2) The gross receipts from retail sales made pursuant to a bona fide lump sum or fixed price construction contract, which unconditionally vests the rights and obligations of the parties thereto and which does not make provision or allocation of future taxes, provided that such contract was enforceable prior to April 1, 2025, and that delivery of the tangible personal property used in performing such construction contract is made before October 1, 2025.

(3) The purchase of taxable services, including utility services, if the billing period includes charges for services furnished before and after April 1, 2025, but the local sales and use tax imposed by this Ordinance shall apply on the first billing period not including charges for services furnished before April 1, 2025.

(4) Lease payments for tangible personal property and motor vehicles that includes a period before and after April 1, 2025, but the local sales and use tax imposed by this Ordinance shall apply on a prorated basis to lease payment amounts attributable to that portion of the lease payment period on or after April 1, 2025 and on the entire lease payment for all lease payment periods thereafter.

(e) *Tax Clearance; Issuance of Licenses.* (1) The County may not issue or renew a license for the conduct of a trade or business within the County if the Commissioner notified the licensing division of the County that the applicant owes delinquent taxes of the County as provided in this Ordinance, or penalties or interest due on such County taxes. County taxes include sales and use taxes provided in this Ordinance. Penalties and interest are penalties and interest due on taxes included in this definition.

(2) 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.

(3) 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.

(4) A copy of the notice of delinquent taxes given to the licensing division of the County shall also be sent to the applicant taxpayer. In the case of renewal of a license, if the applicant requests in writing, within 30 days of receipt of the notice of hearing, then, a contested hearing shall be held under the same procedures as provided in Minn. Stat. 270A for the state sales and use

tax imposed under Minnesota Statutes, Chapter 297A; provided further that if a hearing must be held on the state sales and use tax, hearings must be combined.

(f) *Deposit of revenues; costs of administration; termination of tax.*

(1) All of the revenues, interest, and penalties derived from the local sales and use tax imposed by this Ordinance collected by the Commissioner and remitted to the County shall be deposited by the County Auditor/Treasurer of the County in the County treasury and shall be credited to the fund established to pay the costs of collecting the local sales and use tax imposed by this Ordinance and to finance the capital and administrative costs directly related to completing the Designated Projects.

(2) The local sales and use tax imposed by this Ordinance shall terminate at the earlier of: (1) March 31, 2050, which is the date that is 25 years after the date the local sales and use tax is first imposed; or (2) when the Board of Commissioners determines that \$39,000,000, plus an amount equal to interest and the costs of issuance of any bonds has been received from the local sales and use tax imposed by this Ordinance to pay for all the capital and administrative costs directly related to completing the Designated Projects. Any funds remaining after payment of all such costs and retirement or redemption of the bonds shall be placed in the general fund of the County. The local sales and use tax imposed by this Ordinance may terminate at an earlier time if the Board of Commissioners so determines 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.

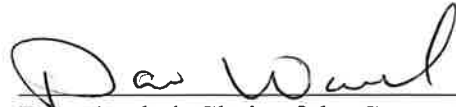
(g) *Agreement with the Commissioner.* The County may enter into an agreement with the Commissioner regarding each party's respective roles and responsibilities related to the imposition, administration, collection, enforcement, and termination of the local sales and use tax imposed by this Ordinance. Any such agreement shall not abrogate, alter, or otherwise conflict with the State Sales and Use Tax Laws and Rules, this ordinance, or the Special Law.

(h) *Summary publication.* The County shall publish in the County's official newspaper either the full text of the ordinance or, in lieu of publishing the entire ordinance, the following summary is approved by the Board of Commissioners and for publication in the County's official newspaper pursuant to Minnesota Statutes, Section 375.51, subdivision 3, and Section 331A.01, subdivision 10:

Pursuant to a voter-approved referendum, the County is authorized to and will impose a local sales and use tax of one percent (1.00%) on retail sales made after April 1, 2025, to be used to fund the costs of collecting and administering the tax and the finance the costs of certain Designated Projects related to the construction of a law enforcement center and government center in the County. A printed copy of the ordinance is available for inspection by any person during regular office hours at the office of the County Auditor/Treasurer.

EFFECTIVE DATE. This ordinance of the County of Jackson, Minnesota, shall be effective upon its approval and publication.

Duly passed and adopted by the Board of Commissioners on December 3, 2024.



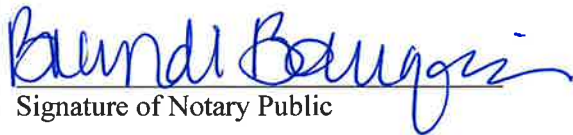
Don Wachal, Chair of the County Board

ATTEST:



Ryan Krosch
County Administrator

Subscribed and sworn before me this 3rd day of December, 2024.



Signature of Notary Public

11/31/2026
Date Commissioner Expires

Brandi Bourquin
Printed Name of Notary Public

JACKSON
County of Residence



DRAFTED BY:
COUNTY ADMINISTRATOR RYAN KROSCH
405 4TH STREET
JACKSON, MN 56143