

1.1 A bill for an act

1.2 relating to commerce; providing for regulation of vacation home rentals;
1.3 amending Minnesota Statutes 2008, sections 157.15, subdivision 11, by adding a
1.4 subdivision; 157.16; 157.22.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2008, section 157.15, subdivision 11, is amended to read:

1.7 Subd. 11. **Resort.** "Resort" means a building, structure, enclosure, or any part
1.8 thereof located on, or on property neighboring, any lake, stream, skiing or hunting area,
1.9 or any recreational area for purposes of providing convenient access thereto, kept, used,
1.10 maintained, or advertised as, or held out to the public to be a place where sleeping
1.11 accommodations are furnished to the public, and primarily to those seeking recreation
1.12 for periods of one day, one week, or longer, and having for rent ~~five or more~~ cottages,
1.13 rooms, or enclosures.

1.14 Sec. 2. Minnesota Statutes 2008, section 157.15, is amended by adding a subdivision
1.15 to read:

1.16 Subd. 20. **Vacation home rental.** "Vacation home rental" means any home, cabin,
1.17 condominium, or similar building that is advertised or held out to the public as a place
1.18 where sleeping accommodations are furnished to the public on a nightly or weekly basis
1.19 and is not a bed and breakfast, resort, hotel, or motel.

1.20 Sec. 3. Minnesota Statutes 2008, section 157.16, is amended to read:

1.21 **157.16 LICENSES REQUIRED; FEES.**

2.1 Subdivision 1. **License required annually.** A license is required annually for every
2.2 person, firm, or corporation engaged in the business of conducting a food and beverage
2.3 service establishment, hotel, motel, lodging establishment, public pool, vacation home
2.4 rental, or resort. Any person wishing to operate a place of business licensed in this
2.5 section shall first make application, pay the required fee specified in this section, and
2.6 receive approval for operation, including plan review approval. Seasonal and temporary
2.7 food stands and special event food stands are not required to submit plans. Nonprofit
2.8 organizations operating a special event food stand with multiple locations at an annual
2.9 one-day event shall be issued only one license. Application shall be made on forms
2.10 provided by the commissioner and shall require the applicant to state the full name and
2.11 address of the owner of the building, structure, or enclosure, the lessee and manager
2.12 of the food and beverage service establishment, hotel, motel, lodging establishment,
2.13 public pool, vacation home rental, or resort; the name under which the business is to
2.14 be conducted; and any other information as may be required by the commissioner to
2.15 complete the application for license.

2.16 Subd. 2. **License renewal.** Initial and renewal licenses for all food and beverage
2.17 service establishments, hotels, motels, lodging establishments, public pools, vacation
2.18 home rentals, and resorts shall be issued for the calendar year for which application is
2.19 made and shall expire on December 31 of such year. Any person who operates a place of
2.20 business after the expiration date of a license or without having submitted an application
2.21 and paid the fee shall be deemed to have violated the provisions of this chapter and shall
2.22 be subject to enforcement action, as provided in the Health Enforcement Consolidation
2.23 Act, sections 144.989 to 144.993. In addition, a penalty of \$50 shall be added to the total
2.24 of the license fee for any food and beverage service establishment operating without a
2.25 license as a mobile food unit, a seasonal temporary or seasonal permanent food stand, or a
2.26 special event food stand, and a penalty of \$100 shall be added to the total of the license
2.27 fee for all restaurants, food carts, hotels, motels, lodging establishments, public pools,
2.28 vacation home rentals, and resorts operating without a license for a period of up to 30
2.29 days. A late fee of \$300 shall be added to the license fee for establishments operating
2.30 more than 30 days without a license.

2.31 Subd. 2a. **Food manager certification.** An applicant for certification or certification
2.32 renewal as a food manager must submit to the commissioner a \$28 nonrefundable
2.33 certification fee payable to the Department of Health.

2.34 Subd. 3. **Establishment fees; definitions.** (a) The following fees are required for
2.35 food and beverage service establishments, hotels, motels, lodging establishments, public
2.36 pools, vacation home rentals, and resorts licensed under this chapter. Food and beverage

3.1 service establishments must pay the highest applicable fee under paragraph (d), clause
3.2 (1), (2), (3), or (4), and establishments serving alcohol must pay the highest applicable
3.3 fee under paragraph (d), clause (6) or (7). The license fee for new operators previously
3.4 licensed under this chapter for the same calendar year is one-half of the appropriate annual
3.5 license fee, plus any penalty that may be required. The license fee for operators opening
3.6 on or after October 1 is one-half of the appropriate annual license fee, plus any penalty
3.7 that may be required.

3.8 (b) All food and beverage service establishments, except special event food stands,
3.9 and all hotels, motels, lodging establishments, public pools, vacation home rentals, and
3.10 resorts shall pay an annual base fee of \$150.

3.11 (c) A special event food stand shall pay a flat fee of \$40 annually. "Special event
3.12 food stand" means a fee category where food is prepared or served in conjunction with
3.13 celebrations, county fairs, or special events from a special event food stand as defined
3.14 in section 157.15.

3.15 (d) In addition to the base fee in paragraph (b), each food and beverage service
3.16 establishment, other than a special event food stand, and each hotel, motel, lodging
3.17 establishment, public pool, vacation home rental, and resort shall pay an additional
3.18 annual fee for each fee category, additional food service, or required additional inspection
3.19 specified in this paragraph:

3.20 (1) Limited food menu selection, \$50. "Limited food menu selection" means a fee
3.21 category that provides one or more of the following:

3.22 (i) prepackaged food that receives heat treatment and is served in the package;

3.23 (ii) frozen pizza that is heated and served;

3.24 (iii) a continental breakfast such as rolls, coffee, juice, milk, and cold cereal;

3.25 (iv) soft drinks, coffee, or nonalcoholic beverages; or

3.26 (v) cleaning for eating, drinking, or cooking utensils, when the only food served
3.27 is prepared off site.

3.28 (2) Small establishment, including boarding establishments, \$100. "Small
3.29 establishment" means a fee category that has no salad bar and meets one or more of
3.30 the following:

3.31 (i) possesses food service equipment that consists of no more than a deep fat fryer, a
3.32 grill, two hot holding containers, and one or more microwave ovens;

3.33 (ii) serves dipped ice cream or soft serve frozen desserts;

3.34 (iii) serves breakfast in an owner-occupied bed and breakfast establishment;

3.35 (iv) is a boarding establishment; or

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4.1 (v) meets the equipment criteria in clause (3), item (i) or (ii), and has a maximum
4.2 patron seating capacity of not more than 50.

4.3 (3) Medium establishment, \$260. "Medium establishment" means a fee category
4.4 that meets one or more of the following:

4.5 (i) possesses food service equipment that includes a range, oven, steam table, salad
4.6 bar, or salad preparation area;

4.7 (ii) possesses food service equipment that includes more than one deep fat fryer,
4.8 one grill, or two hot holding containers; or

4.9 (iii) is an establishment where food is prepared at one location and served at one or
4.10 more separate locations.

4.11 Establishments meeting criteria in clause (2), item (v), are not included in this fee
4.12 category.

4.13 (4) Large establishment, \$460. "Large establishment" means either:

4.14 (i) a fee category that (A) meets the criteria in clause (3), items (i) or (ii), for a
4.15 medium establishment, (B) seats more than 175 people, and (C) offers the full menu
4.16 selection an average of five or more days a week during the weeks of operation; or

4.17 (ii) a fee category that (A) meets the criteria in clause (3), item (iii), for a medium
4.18 establishment, and (B) prepares and serves 500 or more meals per day.

4.19 (5) Other food and beverage service, including food carts, mobile food units,
4.20 seasonal temporary food stands, and seasonal permanent food stands, \$50.

4.21 (6) Beer or wine table service, \$50. "Beer or wine table service" means a fee
4.22 category where the only alcoholic beverage service is beer or wine, served to customers
4.23 seated at tables.

4.24 (7) Alcoholic beverage service, other than beer or wine table service, \$135.

4.25 "Alcohol beverage service, other than beer or wine table service" means a fee
4.26 category where alcoholic mixed drinks are served or where beer or wine are served from
4.27 a bar.

4.28 (8) Lodging per sleeping accommodation unit, \$8, including hotels, motels, lodging
4.29 establishments, vacation home rentals, and resorts, up to a maximum of \$800. "Lodging
4.30 per sleeping accommodation unit" means a fee category including the number of guest
4.31 rooms, cottages, or other rental units of a hotel, motel, lodging establishment, vacation
4.32 home rental, or resort; or the number of beds in a dormitory.

4.33 (9) First public pool, \$180; each additional public pool, \$100. "Public pool" means a
4.34 fee category that has the meaning given in section 144.1222, subdivision 4.

4.35 (10) First spa, \$110; each additional spa, \$50. "Spa pool" means a fee category that
4.36 has the meaning given in Minnesota Rules, part 4717.0250, subpart 9.

5.1 (11) Private sewer or water, \$50. "Individual private water" means a fee category
5.2 with a water supply other than a community public water supply as defined in Minnesota
5.3 Rules, chapter 4720. "Individual private sewer" means a fee category with an individual
5.4 sewage treatment system which uses subsurface treatment and disposal.

5.5 (12) Additional food service, \$130. "Additional food service" means a location at
5.6 a food service establishment, other than the primary food preparation and service area,
5.7 used to prepare or serve food to the public.

5.8 (13) Additional inspection fee, \$300. "Additional inspection fee" means a fee to
5.9 conduct the second inspection each year for elementary and secondary education facility
5.10 school lunch programs when required by the Richard B. Russell National School Lunch
5.11 Act.

5.12 (e) A fee of \$350 for review of the construction plans must accompany the initial
5.13 license application for restaurants, hotels, motels, lodging establishments, vacation home
5.14 rentals, or resorts with five or more sleeping units.

5.15 (f) When existing food and beverage service establishments, hotels, motels, lodging
5.16 establishments, vacation home rentals, or resorts are extensively remodeled, a fee of \$250
5.17 must be submitted with the remodeling plans. A fee of \$250 must be submitted for new
5.18 construction or remodeling for a restaurant with a limited food menu selection, a seasonal
5.19 permanent food stand, a mobile food unit, or a food cart, or for a hotel, motel, resort, or
5.20 lodging establishment addition of less than five sleeping units.

5.21 (g) Seasonal temporary food stands and special event food stands are not required to
5.22 submit construction or remodeling plans for review.

5.23 Subd. 3a. **Statewide hospitality fee.** Every person, firm, or corporation that
5.24 operates a licensed boarding establishment, food and beverage service establishment,
5.25 seasonal temporary or permanent food stand, special event food stand, mobile food
5.26 unit, food cart, resort, hotel, motel, vacation home rental, or lodging establishment in
5.27 Minnesota must submit to the commissioner a \$35 annual statewide hospitality fee for
5.28 each licensed activity. The fee for establishments licensed by the Department of Health is
5.29 required at the same time the licensure fee is due. For establishments licensed by local
5.30 governments, the fee is due by July 1 of each year.

5.31 Subd. 4. **Posting requirements.** Every food and beverage service establishment,
5.32 hotel, motel, lodging establishment, public pool, vacation home rental, or resort must have
5.33 the license posted in a conspicuous place at the establishment.

5.34 Sec. 4. Minnesota Statutes 2008, section 157.22, is amended to read:

5.35 **157.22 EXEMPTIONS.**

6.1 This chapter shall not be construed to apply to:

6.2 (1) interstate carriers under the supervision of the United States Department of
6.3 Health and Human Services;

6.4 (2) any building constructed and primarily used for religious worship;

6.5 (3) any building owned, operated, and used by a college or university in accordance
6.6 with health regulations promulgated by the college or university under chapter 14;

6.7 (4) any person, firm, or corporation whose principal mode of business is licensed
6.8 under sections 28A.04 and 28A.05, is exempt at that premises from licensure as a food
6.9 or beverage establishment; provided that the holding of any license pursuant to sections
6.10 28A.04 and 28A.05 shall not exempt any person, firm, or corporation from the applicable
6.11 provisions of this chapter or the rules of the state commissioner of health relating to
6.12 food and beverage service establishments;

6.13 (5) family day care homes and group family day care homes governed by sections
6.14 245A.01 to 245A.16;

6.15 (6) nonprofit senior citizen centers for the sale of home-baked goods;

6.16 (7) fraternal or patriotic organizations that are tax exempt under section 501(c)(3),
6.17 501(c)(4), 501(c)(6), 501(c)(7), 501(c)(10), or 501(c)(19) of the Internal Revenue Code of
6.18 1986, or organizations related to or affiliated with such fraternal or patriotic organizations.
6.19 Such organizations may organize events at which home-prepared food is donated by
6.20 organization members for sale at the events, provided:

6.21 (i) the event is not a circus, carnival, or fair;

6.22 (ii) the organization controls the admission of persons to the event, the event agenda,
6.23 or both; and

6.24 (iii) the organization's licensed kitchen is not used in any manner for the event;

6.25 (8) food not prepared at an establishment and brought in by individuals attending a
6.26 potluck event for consumption at the potluck event. An organization sponsoring a potluck
6.27 event under this clause may advertise the potluck event to the public through any means.
6.28 Individuals who are not members of an organization sponsoring a potluck event under this
6.29 clause may attend the potluck event and consume the food at the event. Licensed food
6.30 establishments other than schools cannot be sponsors of potluck events. A school may
6.31 sponsor and hold potluck events in areas of the school other than the school's kitchen,
6.32 provided that the school's kitchen is not used in any manner for the potluck event. For
6.33 purposes of this clause, "school" means a public school as defined in section 120A.05,
6.34 subdivisions 9, 11, 13, and 17, or a nonpublic school, church, or religious organization
6.35 at which a child is provided with instruction in compliance with sections 120A.22 and

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7.1 120A.24. Potluck event food shall not be brought into a licensed food establishment
7.2 kitchen; and

7.3 (9) a home school in which a child is provided instruction at home.

7.4 A tax exempt organization listed in clause (7) may accept donations from private property
7.5 owners at cabins or homes in recreational areas for weekend stays or periods of a week or
7.6 less for fund-raising efforts. Neither the property owner nor the tax exempt organization
7.7 will be required to obtain a vacation home rental license or other lodging license for that
7.8 donated period of time when it is limited to one donation to that organization by that
7.9 property owner annually.