

February 23, 2021

PUBLIC FINANCE
Tourism improvement districts

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of S.F. 0968 (Dziedzic) as proposed to be amended by SCS0968A-1

	Fund Impact			
	FY2022	FY2023	FY2024	FY2025
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective the day following final enactment.

EXPLANATION OF THE BILL

The proposal would allow municipalities to create tourism improvement districts. A district could only be created upon request by a majority impacted business owners. Qualifying businesses would need to be subject to a state or local lodging tax.

Municipalities would be allowed to collect service charges from businesses within the tourism improvement districts. Funds would be used to promote or improve businesses within the districts.

REVENUE ANALYSIS DETAIL

- The proposed service charges are assumed to have no impact on the state general fund. Tourism improvement districts would not have property tax levy authority.

Source: Minnesota Department of Revenue
Property Tax Division - Research Unit
www.revenue.state.mn.us/research_stats/pages/revenue-analyses.aspx

sf0968(hf1066)_pt_2/css