

**PUBLIC FINANCE
Tourism Improvement Districts**

March 14, 2023

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 1004 (Dziedzic) as proposed to be amended by SCS1004A-1

	Fund Impact			
	F.Y. 2024	F.Y. 2025	F.Y. 2026	F.Y. 2027
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective beginning 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 of impacted business owners. Qualifying businesses would need to be a lodging business.

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
<https://www.revenue.state.mn.us/revenue-analyses>

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