

February 23, 2021

**PUBLIC FINANCE**  
**Tourism improvement districts**

|                                 | Yes | No |
|---------------------------------|-----|----|
| DOR Administrative Cost/Savings |     | X  |

Department of Revenue  
Analysis of S.F. 0968 (Dziedzic) / H.F. 1066 (Davnie) as introduced

|              | <b>Fund Impact</b> |               |               |               |
|--------------|--------------------|---------------|---------------|---------------|
|              | <b>FY2022</b>      | <b>FY2023</b> | <b>FY2024</b> | <b>FY2025</b> |
|              | (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 impacted business owners.

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](http://www.revenue.state.mn.us/research_stats/pages/revenue-analyses.aspx)

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