

Subject Tourism improvement districts

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Overview

The bill would allow municipalities, when petitioned by the majority of lodging business owners in an area, to establish a tourism improvement district (TID) in that area. Within a TID, charges on lodging business owners would fund activities to promote tourism, business, economic development, and other services to benefit those lodging businesses.

Summary

Section	Description
1	Definitions. Defines terms for the proposed new TID chapter of Minnesota Statutes, including “business” as a lodging business as defined by municipal law and “impacted business owners” as a majority of business owners in an existing or proposed TID.
2	Establishment of tourism improvement district. Allows a municipality to establish TIDs after receiving a petition from impacted business owners and after holding a public hearing. Allows the municipality to impose a service charge on businesses in the TID for activities and improvements that will benefit businesses in the TID. Allows appeal of the adoption of the ordinance to a district court and requires notice to the Department of Revenue when a TID is established.
3	Service charge authority; notice; hearing requirement. Allows a municipality to impose service charges to fund an activity or improvement in the TID if the activity or improvement is provided in the TID at an increased level of service. Limits the charges to the amount necessary to pay for the increases in the level of service. Requires an annual hearing regarding continuation of service charges in the TID.

Section	Description
4	<p>Modification of ordinance.</p> <p>Allows a tourism improvement district to be modified after a public hearing if the change is requested by the tourism improvement association. Requires that changes to the service charge or expansion of the district be initiated by petition of the impacted business owners. Allows changes to be vetoed by business owners.</p>
5	<p>Collection of service charges; penalties.</p> <p>Allows a municipality, tourism improvement association, or other designated entity to collect service charges and to charge interest and penalties for delinquent payments, as provided by the ordinance.</p>
6	<p>Tourism improvement association.</p> <p>Requires an ordinance establishing a TID to designate a tourism improvement association, which may select the improvements and activities to be funded by the TID and which must report to the municipality in every year a service charge is imposed. Requires a tourism improvement association to report annually to the municipality and to appoint a governing body or committee of business owners or their representatives to manage funds raised by the TID.</p>
7	<p>Petition required.</p> <p>Prohibits a municipality from establishing a TID unless impacted business owners petition for a public hearing on establishing or modifying the TID.</p>
8	<p>Veto powers of owners.</p> <p>Requires an ordinance establishing a TID to have an effective date at least 45 days after the ordinance is adopted. Allows veto of the ordinance if impacted business owners file an objection to the ordinance before it becomes effective.</p>
9	<p>Disestablishment.</p> <p>Requires an ordinance establishing a TID to include an annual 30-day period during which impacted business owners may petition to have the TID disestablished. Requires a public hearing prior to disestablishment and requires refunds of any remaining service charge revenue after disestablishment.</p>
10	<p>Coordination of districts.</p> <p>Prohibits a city or town from establishing a TID in the area where a county has established a TID; prohibits a county from establishing a TID in the area where a city or town has established a TID.</p>



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