



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1891

PRINTER'S NO. 3781

PRIME SPONSOR: Cepeda-Freytiz

COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
General Fund	\$0	\$0

SUMMARY:

House Bill 1891, known as the Tourism Improvement District Act, establishes tourism improvement districts and tourism improvement district management associations.

ANALYSIS:

This bill gives counties the ability to establish one or more tourism improvement districts (TID), which is defined as a geographic area composed of hotels located within the district that benefit from tourism improvement district activities. It goes on to outline the specific procedures for a county to establish a TID, including the establishment of a tourism improvement district management association (TIDMA) that will oversee the TID.

This bill gives counties the authority to levy a special assessment fee on hotels for the purpose of providing tourism activities. This fee is not to replace any local or state hotel occupancy taxes. Tourism activities include:

- Marketing, sales, event promotion, and other promotional programs designed to increase tourism in a tourism improvement district;
- Funding special events designed to increase tourism in a tourism improvement district;
- Destination product development activities designed to improve the visitor experience in a tourism improvement district;
- Personnel and administrative support necessary to provide tourism activities; and
- Any other activity, service, or improvement that is designed to increase tourism in a tourism improvement district.

The bill further outlines the establishment of a TIDMA and what powers the TIDMA may hold, as well as the procedure for the dissolution of a TID.

Finally, it requires a TIDMA to submit an annual audit report to the county in which the TID is located 120 days after the end of each fiscal year.

This act would take effect in 60 days.

FISCAL IMPACT:

This bill would have no impact on commonwealth funds. This bill may have an impact on county funds dependent on the size and the scope of an implemented TID.

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House Appropriations Committee (D)

DATE: October 22, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.