



Meet **Minneapolis**
City by Nature

May 12, 2022

VIA EMAIL

Chair Paul Marquart
House Tax Committee
597 State Office Building
St. Paul, MN 55155

Chair Carla Nelson
Senate Tax Committee
3235 Minnesota Senate Building
St. Paul, MN 55155

Chair Marquart, Chair Nelson and Members of the Tax Conference Committee,

On behalf of many in the tourism and hospitality industry, I urge your support of the Tourism Improvement District (TID) enabling legislation included in the House Omnibus Tax Bill. The TID proposal has support from the Bloomington Convention & Visitors Bureau, City of Duluth, Experience Rochester, Greater Minneapolis Hotel Association, Meet Minneapolis, Minneapolis Regional Chamber of Commerce, Minnesota Association of Convention and Visitors Bureaus, Minneapolis Downtown Council, Shakopee Chamber & Visitors Bureau, Visit Saint Paul, and Visit Inver Grove Heights. In addition, many other local and regional convention and visitors bureaus are eager to see the legislation passed to explore if a TID is right for their area.

Tourism Improvement Districts are a public-private partnership that must originate with the local lodging businesses, must be adopted through a local ordinance process, and require an annual review by the local governing body. While new to Minnesota, over the last 20 years, Tourism Improvement Districts have been adopted in 19 states and in over 200 communities. Fourteen states, including Iowa and Wisconsin, are considering legislative approval this year.

Meetings, conventions, festivals, tournaments, and other events are key drivers of Minnesota's tourism economy and hotel stays. During the pandemic, hotel occupancy in Minnesota hit historic lows. As of late 2021, only 39 percent of Minnesota leisure and hospitality firms surveyed by Explore Minnesota reported being at or above pre-pandemic business levels. We are working hard to bring back a robust tourism and travel industry in the state of Minnesota, but this is likely be one of the last industries to fully recover from the COVID-19 pandemic.

Authorizing municipalities to work with their local destination marketing organizations and lodging businesses to establish a Tourism Improvement District is an important tool for recovery. The activities of a Tourism Improvement Districts must be focused on marketing, promotion, and other activities to benefit the lodging businesses directly. Increasing occupancy at hotels and lodging businesses across the state will put people back to work, support local restaurants and bars, support tourist attractions, and increase local and state tax revenues.

Again, thank you for your consideration of the Tourism Improvement District enabling legislation. We ask that this proposal be included in a final tax bill this session.

Sincerely,

Melvin Tennent
President & CEO
Meet Minneapolis