



FISCAL NOTE

House Bill 318

Committee: Economic Development and
Tourism

Sponsor: Representative Andy Whitt

Analyst: Riley Aaron

Date: 04/26/2023

House Bill 318 as reported by the Committee on Economic Development and Tourism would allow Class 3 Municipalities, by ordinance, to establish one or more "self-help business improvement districts" and levy a special assessment against the owners of real property or certain businesses within the district, for up to five years. This bill provides that the revenues from this assessment would be used to provide supplemental services including security, sanitation and parking in the district through the operation of a district management corporation, provided for by this bill.

This bill provides that the members of the board of such corporation shall not be compensated but may be reimbursed for actual expenses relating to board activity, paid from the special assessment. This bill would exempt such corporation from state income and franchise taxes, permit fees, and state and local sales, use, license, gross receipts, and ad valorem taxes, which could decrease state and local receipts otherwise received by an undetermined amount dependent the taxes that would have been collected absent this bill. This bill could increase the administrative obligations of a municipality for holding public hearings, as required prior to the creation or dissolution of such district.