

HCS HBs 1524 & 1580 -- ENTERTAINMENT DISTRICT (Casteel)

COMMITTEE OF ORIGIN: Standing Committee on Economic Development

This bill creates numerous provisions relating to entertainment districts, a term defined in the bill.

Currently, petitions to establish community improvement districts require, among other things, signatures from more than 50% of the owners of real property within the boundaries of the proposed district. This bill would exempt an entertainment district from this requirement.

This bill grants entertainment districts all the powers of community improvement districts as well as the following additional powers:

- (1) To promulgate and enforce rules relating to curfews and the presence of unaccompanied minors in public spaces during specified hours unless accompanied by a parent or guardian; and
- (2) To hire and train public safety and security personnel to enforce the laws of the municipality and the rules of the entertainment district.

The bill authorizes state departments to expend funds for the purpose of promoting, developing, and supporting entertainment tourism through an application process. These expenditures are limited to a portion of the tax revenues derived directly or indirectly from the promotion or development supported by the annual expenditure, as stated in an agreement between the district and the state department. These agreements require the following:

- (1) The term of the appropriation cannot exceed 27 years;
- (2) The annual amount of the appropriation cannot exceed \$2.5 million per fiscal year ending before June 30, 2031, and \$4.5 million for any subsequent fiscal year;
- (3) The promotion, development, and support must produce a positive net fiscal impact for the State over the term of the agreement; and
- (4) The Department of Economic Development will make an annual written report to the Governor and General Assembly within 90 days of the end of each fiscal year detailing whether the promotion, development, and support produced a positive net fiscal impact for the prior fiscal year and projecting the overall impact to the State over the term of the agreement.

This bill prohibits the entertainment district from imposing any new taxes.