



Legislation Text

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RESOLUTION REQUESTING THAT THE CITY ADMINISTRATION APPLY AN INFLATIONARY ADJUSTMENT TO THE PORTION OF THE TOURISM TAX ALLOCATED TO THE CITY'S GENERAL FUND IN YEARS OF PROJECTED GROWTH IN TOURISM TAX REVENUE.

BY COUNCILOR FILIPOVICH AND COUNCILOR SIPRESS:

WHEREAS, a portion of tourism tax revenues are allocated annually to the city's general fund to cover the direct costs of providing city services to tourism related events and activities and to maintain the city's tourism-oriented parks; and

WHEREAS, the tourism tax allocation to the general fund has not been adjusted for inflation since 2016; and

WHEREAS, the absence of inflationary adjustments in the tourism tax allocation to the general fund increases the financial pressure on the city's general fund and shifts costs onto the property tax levy.

THEREFORE, BE IT RESOLVED, that beginning with the 2023 budgeting process and subject to the provisions of Section 42A-44 of the Duluth City Code, 1959, as amended, the city council requests that, in years of projected growth in tourism tax revenue, the city administration apply an inflationary adjustment at least equal to the lower of the rate of inflation or the projected growth in tourism tax revenues to the portion of the tourism tax allocated to the city's general fund.

STATEMENT OF PURPOSE: The purpose of this resolution is to request that in years of projected growth in tourism tax revenue, the city administration apply an inflationary adjustment to the amount allocated from tourism tax revenues to the general fund to cover the direct cost of providing city services to tourism related events and activities and maintaining city tourism-oriented parks. Such an inflationary adjustment would prevent cost shifting to the property tax levy.