MINNESOTA TOURISM ASSOCIATION

Aligned for Impact:
Chambers & Tourism as Economic Partners

MCCE Annual Meeting

February 19, 2026

Agenda

About MNTA
Why Tourism
Operating Models
Lodging Tax Statute & Allowed Expenditures
Other Funding Sources
Q & A

MINNESOTA TOURISM ASSOCIATION

About MNTA

- Not-for-profit, membership organization representing Minnesota's Destination Management Organizations and Professionals
- Professional Development
- Industry Advocacy
- Network of Tourism Industry Professionals

www.tourismmn.com

Minnesota’s Tourism Industry

- $24.7 Billion in total economic impact for the state of Minnesota.
- 81.6 million total visitors
- $2.4 Billion in state and local taxes generated
- $14.7 billion in visitor spend
- 182,435 jobs generated
- Visitor-generated taxes saved each Minnesota household $1,031in 2024!

*Statistics courtesy of Explore Minnesota

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Operating Models

Stand Alone Destination Management Organizations (DMOs)

- Governed by Board of Directors
  - Hires Executive Director, Governs policies and oversees program of work
- Funding
  - Lodging Tax
  - Contracts for Service
- Larger/Regional Tourism Destinations

  Minneapolis; Rochester; Bloomington

  Lake of the Woods Tourism; Visit Grand Rapids; Visit Fairmont

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Operating Models

Chamber, Tourism, and Economic Development

- Quasi-Governmental Organizations
- Governed by Board of Directors (could include elected officials)
  - President Oversees Operation
  - Vice-Presidents/Executive Directors directing lines of business
- Funding
  - Multiple Funding sources, both public and private
- Regional, Outstate Destinations
  - Greater Mankato Growth, Faribault,

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Operating Models

Chambers and Tourism Together

- Tourism is a function/line of business housed within the Chamber of Commerce
- Governed by Board of Directors
  - President Oversees Operation
  - Tourism Director (staff) Tourism Advisory Council (volunteers)
- Operations
  - Multiple Funding sources, lodging tax, membership, events, sponsorships
  - Shared overhead, staff,
- Community AND Tourism Focused
  - Collaborative
  - Owatonna, St. Cloud, Shakopee

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Minnesota's Lodging Tax Statute

§ 469.190

- Established in 1983
- Authorizes a community to impose a lodging tax up to 3%
- Describes how the proceeds can be spent
  - 5% can be retained by taxing authority – no restrictions
  - "95% shall be used to fund a local convention or tourism bureau for the purpose of marketing and promoting the city or town as a tourist or convention center."
- Collection
  - Local Taxing Authority
  - MN Dept. of Revenue

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Exceptions

- Bloomington, Duluth, St. Paul, Rochester, St. Cloud and Minneapolis lodging tax revenue is not governed by the same statute and have been “grandfathered in” under different legislation and circumstances.

- Special legislation must be obtained to use lodging tax for a purpose that does not fund a local convention or tourism bureau for the purpose of marketing and promoting the city or town as a tourist or convention center OR to seek more than the 3% allowed by § 469.190

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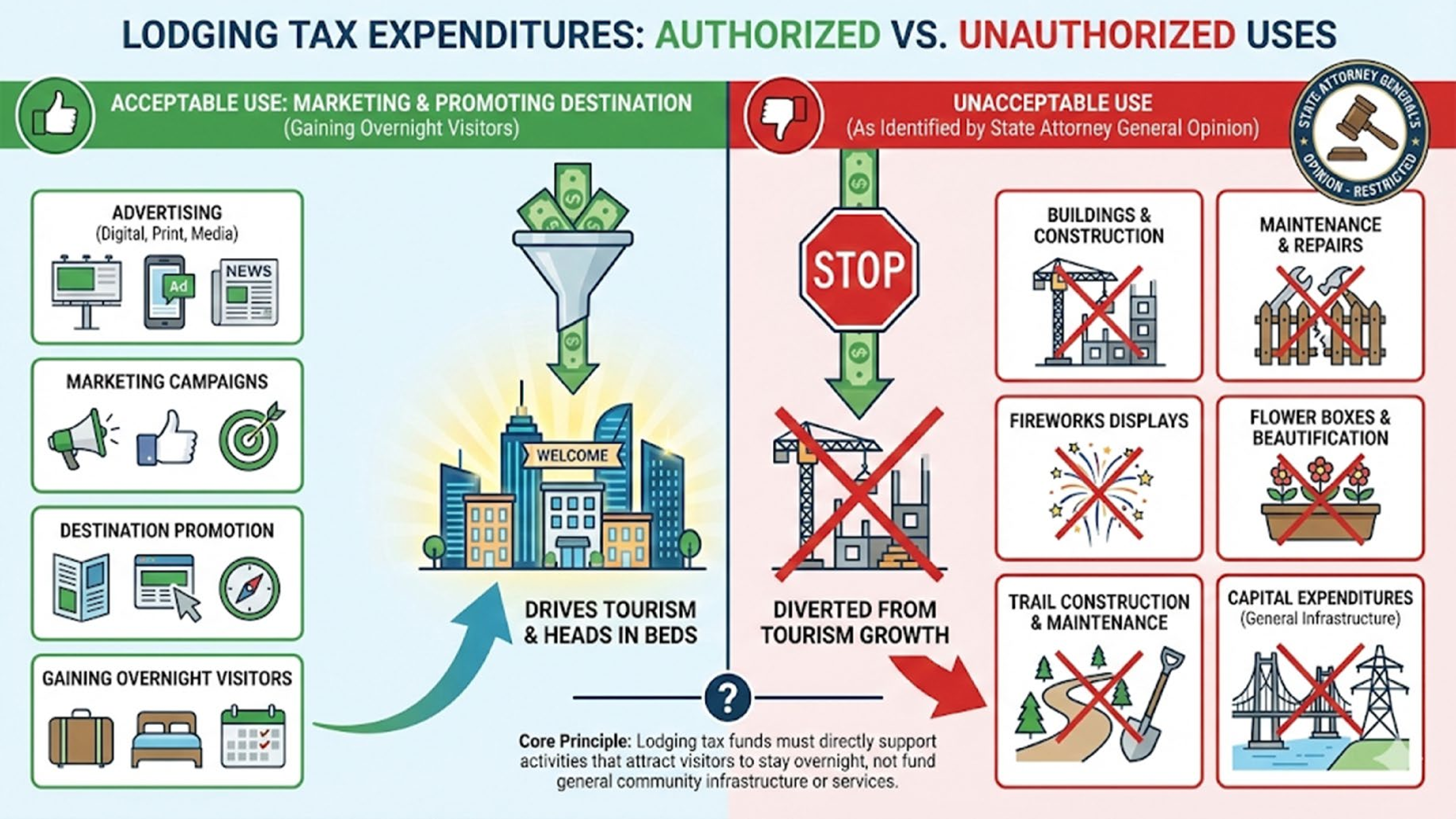
LODGING TAX EXPENDITURES: AUTHORIZED VS. UNAUTHORIZED USES
ACCEPTABLE USE: MARKETING & PROMOTING DESTINATION
(Gaining Overnight Visitors)
UNACCEPTABLE USE
(As Identified by State Attorney General Opinion)
STATE ATTORNEY GENERAL'S
OPINION - RESTRICTED
ADVERTISING
(Digital, Print, Media)
NEWS
Ad
MARKETING CAMPAIGNS
DESTINATION PROMOTION
GAINING OVERNIGHT VISITORS
WELCOME
DRIVES TOURISM
& HEADS IN BEDS
STOP
DIVERTED FROM
TOURISM GROWTH
BUILDINGS &
CONSTRUCTION
MAINTENANCE
& REPAIRS
FIREWORKS DISPLAYS
FLOWER BOXES &
BEAUTIFICATION
TRAIL CONSTRUCTION
& MAINTENANCE
CAPITAL EXPENDITURES
(General Infrastructure)
?
Core Principle: Lodging tax funds must directly support activities that attract visitors to stay overnight, not fund general community infrastructure or services.

Unrestricted & Other Funding Options

- Grant Funding
- Tourism Improvement Districts
- Sponsorship/Advertising Dollars
- Additional/Other Taxes (these require legislative approval)
- City Budget/Levy
- Memberships/Sponsorships

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Build A Place

“If you build a place where people want to visit,
you’ll build a place where people want to live.

If you build a place where people want to live,
you’ll be building a place where people need to work.

If you build a place where people want to work,
you’ll be building a place where business has to be.

And, if you build a place where business wants to be,
you’ll be back to building a place where people want to visit.

It all starts with a visit.”

Maura Gast, Executive Director, Visit Irving, TX

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Q & A

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Thank you!

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