

California

Tourism Improvement Districts

There are two laws TIDs can be created under: the “Parking and Business Improvement Area Law of 1989” or the “Property and Business Improvement District Law of 1994.” To help your destination determine which is appropriate for you, following is a comparison of the major differences between the two laws.

SUBJECT	1989 Law	1994 Law
District Term	Districts are formed and renewed for a one year term	Districts are initially formed for up to five years, and can be renewed for up to ten years
Initiation Process	Adoption of a Resolution of Intention by the City Council. The Council can adopt this resolution of its own accord, without petitions requesting it	Submission of petitions to the City Council signed by businesses who will pay at least 50% of the proposed assessment
Renewal Process	Publication in newspaper, two City hearings	Preparation of management district plan, petition drive, adoption of resolution by City, public meeting and public hearing
Governing Body	An advisory board appointed by the City Council	A non-profit corporation chosen and organized by the stakeholders
Governance Process	Decisions made by advisory board and corporation with City oversight	Decisions made by the non-profit corporation, guided by a management district plan approved by stakeholders
Corporation Public Entity Status	City may consider the advisory board to be a public entity for certain laws	Express exemption for non-profit corporation—it is not considered a public entity
Lawsuits	One thirty day challenge period per year	One thirty day challenge period per five-ten year district term