

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1387
Ways and Means

(Delegate Brooks, *et al.*)

Economic Development - Maryland Tourism Development Board - Grants

This bill expands an existing requirement that the Maryland Tourism Development Board provide grants to destination marketing organizations to also include nongovernmental tourism organizations. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: The bill alters the purposes for which existing funds may be used. To the extent it requires administrative changes, the Department of Commerce can handle them with existing resources.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Current Law: The general duties of the Maryland Tourism Development Board include (1) protecting, preserving, promoting, and restoring the natural, historical, scenic, and cultural resources in the State and (2) generating revenue through the sale of goods and services related to tourism. The board operates out of the Maryland Tourism Development Board Fund (MTDBF).

Specific financial duties of the board, among others, include (1) setting policies for spending money on tourism advertising, written and graphic materials, cooperative and matching promotional programs, and other tourism and travel developmental and promotional activities for the State; (2) spending money of MTDBF to plan, advertise,

promote, assist, and develop the tourism and travel industries in the State; and (3) providing grants to destination marketing organizations for the purpose of attracting visitors to the State. Grant funding must be at least \$2.5 million annually.

Background: In the context of existing law, direct marketing organizations are *locally designated*, typically nonprofit, entities responsible for tourism in their respective jurisdictions. Each county and Baltimore City has its own designated organization. The Maryland Tourism Development Board/MTDBF is primarily supported through general funds and, to a lesser extent, special fund revenue generated from advertisements in board-produced magazines.

Small Business Effect: A nongovernmental tourism organization could be a small business – for example, a local tour company – and receive grant funding under the bill.

Additional Information

Prior Introductions: None.

Cross File: SB 628 (Senator Carter) - Finance.

Information Source(s): Department of Commerce; Department of Legislative Services

Fiscal Note History: First Reader - March 11, 2019
mag/vlg

Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510