



# City of Havre de Grace

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February 23, 2021

The Honorable Anne R. Kaiser  
Chair, Ways and Means Committee  
Room 131  
House Office Building  
Annapolis, Maryland 21401

**RE: Oppose - HB 1079 – Admissions and Amusement Tax - Exemption - Activities That Promote Health and Physical Well-Being.**

Chair Kaiser and the Honorable Members of the Ways and Means Committee:

The City of Havre de Grace opposes House Bill 1079. If passed, the legislation would prohibit a county or municipal government from imposing the admissions and amusement tax on gross receipts derived from any charge for participating in an activity that promotes health or physical well-being or for admission to an establishment that offers activities that promote health or physical well-being.

The lack of clarity and the open-ended scenarios the bill creates is a matter of great concern for the City of Havre de Grace and likely for many local governments throughout Maryland.

As written, the bill does provide some specific examples of what activities could meet the standard for promoting health and physical well-being. However, the legislation as a whole falls short of setting a suitable definition of what constitutes an activity that promotes health and physical well-being.

If passed by the Maryland General Assembly, House Bill 1079 would eliminate all revenue the City receives from the admissions and amusement tax, creating a budget shortfall of \$88,300. As a municipality with approximately 15,000 Citizens, the loss of this revenue would have substantial consequences on government operations, likely causing the City to raise its real property tax rate in order to avoid any reduction of City services, including public safety, trash collection, park maintenance, and roadway infrastructure maintenance.

The City of Havre de Grace urges the Committee to give HB 1079 an unfavorable report.