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Education, Energy, and
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Executive Nominations Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

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The Budget and Taxation Committee

**SB 612 – Eastern Shore Code Counties – Maximum Hotel Rental Tax Rate – Alteration
Statement of Support by Bill Sponsor Senator Mary Beth Carozza**

Thank you, Chair Guzzone, Vice Rosapepe, and the distinguished members of the Senate Budget and Taxation Committee for hearing Senate Bill 612 – Eastern Shore Code Counties – Maximum Hotel Rental Tax Rate – Alteration. This is local Eastern Shore legislation and I want to thank my fellow Eastern Shore Senators Hershey and Mautz for allowing me to present this Eastern Shore bill.

Senate Bill 612 would enable the code counties of the Eastern Shore to set a new hotel rental tax rate of up to 6 percent. For reference, there are four counties on the Eastern Shore that operate under code home rule, Caroline, Kent, Queen Anne's, and Worcester, and these counties are required to collect and distribute the revenues attributable to a hotel located in a municipality to the municipal government in question. All four code counties are in support of this legislation.

Under current law, the hotel rental tax rate for these counties is capped at percent. As you can see by the fiscal note, there would be a huge benefit to local government revenue if we allow these code counties to collect one more percent in the hotel rental tax rate. The hotel rental tax rate is a dedicated source of funding for tourism and tourism-related activities and the Eastern Shore code counties believe making this minimal increase would be mutually beneficial. On average, each dollar invested in tourism marketing generates \$31 in visitor spending.

I truly appreciate your kind attention and consideration, and I respectfully ask for a swift and favorable report on SB 612.