



Testimony of the Mayor and Council of Rockville
HB 1306 – Admissions and Amusement Tax – Food and Beverages
SUPPORT

Good afternoon, Chair Atterbeary and members of the House Ways and Means Committee. The Rockville Mayor and Council appreciate the opportunity to provide written comments on HB 1306. We are thankful to Delegate Fair for sponsoring this important legislation.

The Mayor and Council, in concert with the Maryland Municipal League, strongly support HB 1306. Maryland municipalities have few options for raising revenue to adequately cover the cost-of-service provision to our communities. HB 1306 expands the ability of municipalities to raise resources beyond the property tax by expanding the Admissions and Amusement Tax to capture revenue from food and beverage for all on-site consumption, which includes restaurants.

We support the provisions of HB 1306, for the following reasons:

- It provides enabling authority for municipalities to increase revenues, which is critically important given inflationary pressures, contract cost increases, supply chain issues, and other factors, making much it more costly to provide services to our residents and businesses.
- The expanded revenue tool will support municipalities in making the necessary investments and expenditures for critical service provisions, such as policing, street and sidewalk maintenance, parks maintenance, and recreational programming for youth, adults, and seniors.
- The bill will help to reduce pressures to adjust property tax rates in the long term.

HB 1306 is a positive first step for Maryland municipalities to have revenue tools that generate the funding needed to provide excellent services to our communities. According to a recent study completed by MML, Maryland's municipalities are a major economic engine of the state, with a total of over \$5 billion in economic output. The ability to raise revenue is critical for municipalities to continue this trend. We are thrilled with the potential that this legislation brings and urge the Committee to provide HB 1306 with a favorable report. Thank You.