



February 27, 2024

Maryland House of Delegates  
Delegate Atterbeary, Chair  
Ways and Means Committee  
121 House Office Building  
6 Bladen Street  
Annapolis, MD 21401

RE: Support for HB 1281 - Economic Development - Tourism Zones - Designation and Benefits

Chairperson Atterbeary and Members of the Committee,

My name is Matt Libber, and I am the Legislative Committee Chair for the Maryland Tourism Coalition (MTC). I am writing to you today to express MTC's support to House Bill 1281. The Maryland Tourism Coalition is a trade organization with members representing all areas of tourism in the State of Maryland. Our mission is to support businesses and organizations that cater to the tourism industry through education, networking, and advocacy. As such, MTC asks the committee to vote in favor of this bill.

Tourism is a major component of Maryland's economy. In 2022 Maryland attracted 43.5 million visitors who spent \$19.4 billion dollars in the State. This spending took place at hotels, restaurants and bars, retail shops, recreation and entertainment establishments, and on transportation. This generated over \$2.3 billion in taxes through sales tax, admissions and amusement tax, and corporate income tax. Tourism spending in the State saves Maryland residents more than \$1000 in taxes each year. As such, it is important to help support this vital industry.

This Bill will provide another tool for cities and counties in the State to promote tourism and attract businesses to the State that are related to the tourism industry. We have seen success with these types of zoning overlays with Arts Districts, Enterprise Zones, and various other incentives to incentive businesses to move into an area. Many of the previous zoning overlays were not available tools to counties and cities alike. This bill will allow cities and counties to determine the best locations within their jurisdictions to utilize a tourism zone.

These tourism zones will allow cities and counties to provide tax incentives to businesses to locate in specific areas that will be used as a tourism draw for visitors. Cities and Counties can waive property tax and admission and amusement taxes to help these businesses get set up and operational without additional tax burden for a set period of time. Incentives like this will help draw new businesses that will in turn help draw new tourist to Maryland. New businesses and new visitors create new jobs, increase visitor spending, and increase tax collection from sales tax and hotel taxes.



**MARYLAND  
TOURISM  
COALITION**

The Senate version of the bill included only municipalities as being able to create these tourism zones. MTC feels strongly that the house bill that includes counties as well is a better option. This opens up rural and unincorporated areas of counties that could utilize this tool. In addition, two Maryland counties, Baltimore County and Howard do not have any municipalities within their jurisdiction and would be excluded from this program.

MTC believes this bill would benefit the tourism industry in Maryland and help bring new businesses and new tourism related jobs to the State. For these reasons, the Maryland Tourism Coalition asks this committee to vote against this piece of legislation.

Respectfully submitted,

Matt Libber

Legislative Chair

Maryland Tourism Coalition

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# Maryland's Tourism Industry

## A Sound Investment



**\$1 = \$31**  
SPENT RETURNS

### Why Invest in Tourism?

Visitor spending funds government priorities and citizen services, including transportation, education, and public safety.

Our return on investment is strong. Every dollar spent on tourism marketing results in an increase in state and local tax revenue, jobs, and economic impact.

\$1 spent on tourism marketing = \$31 for state and local economies.

*Source: Destination Analysts*

### Economic Impact

The travel sector is an integral part of Maryland's economy. In 2022, Maryland attracted 43.5 million visitors who spent \$19.4 billion, supporting the following economies:

**24%**  
FOOD & BEVERAGE



**13%**  
RETAIL



**12%**  
RECREATION



**19%**  
LODGING



**30%**  
TRANSPORTATION



*Because of rounding, percentages do not equal 100%.*

**\$19.4 Billion  
Visitor  
Spending**

*Could pay every  
Ravens and Orioles  
player 68 times!*

Reduces each Maryland household's state tax burden by \$1,000 annually.

**187,296  
Employed**

*Standing shoulder  
to shoulder, workers  
would span the OC  
boardwalk 14 times!*

Making the tourism industry Maryland's 10<sup>th</sup> largest private-sector employer.

**\$2.3 Billion  
in Taxes**

*Would cover the  
average salaries of  
30,900 MD public  
school teachers!*

Generates income for both state and local taxes, that is used for education and public safety.

*Source: Tourism Economics, Economic Impact of Tourism in Maryland – 2022*