



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

HB1306

February 27, 2024

TO: Members of the House Judiciary Committee
FROM: Nina Themelis, Director of Mayor's Office of Government Relations
RE: HB 1306 - Admissions and Amusement Tax - Food and Beverages

POSITION: FAVORABLE

Chairwoman Atterbeary and Members of the House Ways and Means Committee, please be advised that the Baltimore City Administration **supports** House Bill (HB) 1306.

HB 1306 would enable jurisdictions and municipalities to generate revenue through an Admissions and Amusement tax for on-site consumption of food and beverages.

The City of Baltimore is at the precipice of a renaissance. We recently renovated and opened CFG Arena in downtown Baltimore, have unveiled a \$3 billion plan to tackle the vacant housing crisis across the city, and are making meaningful investments in our recreation centers, parks, other public infrastructure, as well as investing millions of additional dollars in our residents' quality of life. While we are making historic investments across the City, we are also facing the fiscal reality of a sizeable deficit for fiscal year 2025 in excess of \$60 million. Many municipalities and jurisdictions across the state are similarly facing budget shortfalls and are scrambling to find ways to close the gap while also not creating an additional burden for residents.

While the City presently has not developed plans to impose the tax that would be authorized by this legislation, we have several large-scale projects that are in need of replacement for which funding has not been identified, including the Hanover Street Bridge replacement and the Baltimore Convention Center. Our capital funds do not currently meet the ongoing cost of routine maintenance of existing infrastructure. This legislation could be a tool that the BCA could utilize to fund those projects. The largest portion of the City's revenue comes from property taxes, and with over 13,000 vacant buildings in the City, we are not yet fully realizing the property tax revenue from these properties due to their vacant status. When properties remain vacant for long periods of time, they also tend to decrease quality of life for residents in the community as well as drive down the valuation of the homes nearby.

While Mayor Scott's \$3B vacants plan seeks to address this issue, Baltimore City is still a tourist destination not only within Maryland but for visitors across the country. Each year we see over 20 million visitors who come to see our Inner Harbor, watch our Orioles and Ravens play, and visit the many cultural institutions across the City. With the implementation of HB1306, Baltimore City would be able to further capitalize on these visitors in order

to ensure we are able to maintain our roadways, waterways, and publicly owned assets so that we can continue to welcome millions of visitors for years to come.

Authorizing local jurisdictions and municipalities to generate revenue to help close budget shortfalls is one way that we can collectively work together to ensure that the fiscal health of the entire state remains intact.

For these reasons, the BCA respectfully requests a **favorable** report on HB 1306. Thank you for your consideration.