

**Department of Legislative Services**  
 Maryland General Assembly  
 2024 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

House Bill 897  
 Appropriations

(Baltimore City Delegation)

Finance

**Baltimore Convention and Tourism Redevelopment and Operating Organization  
 Task Force**

This bill establishes the Baltimore Convention and Tourism Redevelopment and Operating Organization Task Force. The Department of Commerce must provide staff for the task force. Task force members may not receive compensation but are entitled to reimbursement for travel expenses. By December 1, 2024, the task force must report its findings and recommendations to the Mayor of Baltimore City, the Governor, and the General Assembly. **The bill takes effect July 1, 2024, and terminates June 30, 2025.**

**Fiscal Summary**

**State Effect:** General fund expenditures for Commerce increase by \$100,000 in FY 2025 to hire a consultant with the requisite expertise in downtown redevelopment. Expense reimbursements for task force members are assumed to be minimal and absorbable within existing budgeted resources. Revenues are not affected.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	100,000	0	0	0	0
Net Effect	(\$100,000)	\$0	\$0	\$0	\$0

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** The bill does not materially affect local government finances or operations.

**Small Business Effect:** None.

## Analysis

**Bill Summary:** The task force must study the establishment of a Baltimore Convention and tourism redevelopment and operating organization to govern and redevelop, revitalize, construct, design, manage, finance, and operate certain State and local real property assets while promoting the Baltimore Convention site and the immediate surrounding area.

The task force must make related recommendations on the membership, purpose, and function of the organization, as specified, including the ability of the organization to:

- acquire any property, franchises, and other interests in the Baltimore Convention site and other property functionally related to and located in the immediate surrounding area of the Baltimore Convention site, and take title to the property in the name of the organization or its designated agent;
- determine the character of any renovation, revitalization, or development projects relating to the Baltimore Convention site and the immediate surrounding area, as specified;
- enter into any agreements, leases, partnerships, or contracts necessary to renovate, revitalize, maintain, and manage the Baltimore Convention site or any other State or local real property assets identified by the task force;
- fix and collect rates, rentals, fees, and charges for services required to successfully operate the Baltimore Convention site or any other State or local real property assets;
- establish rules and regulations for the use of the Baltimore Convention site or any other State or local real property assets; and
- issue bonds for renovation, revitalization, and ongoing maintenance and management of the Baltimore Convention site or any other State or local real property assets identified by the task force, including operating expenses.

In conducting its study and making recommendations, the task force must consider the findings and recommendations in the Baltimore Convention Industry Benchmark Study previously commissioned by the Baltimore Convention Center (BCC).

**Current Law:** BCC was opened in 1979 and an expansion was completed in 1997. The State contributed to the initial project by issuing \$35.0 million in general obligation (GO) bonds and to the expansion by issuing \$101.0 million in GO bonds and Maryland Stadium Authority (MSA) bonds. Baltimore City agreed to provide \$15.0 million for the opening and \$50.0 million for the renovation. Under its existing statutory authority as part of that agreement, MSA is authorized to have up to \$55.0 million in outstanding bonds related to BCC. The original bonds were retired in fiscal 2015. The current arrangement between MSA and BCC, under which the State contributes two-thirds of the annual operating deficit

and one-half (\$200,000) of the annual capital reserve fund, has been in place since 1996. Legislation in 2008, 2013, and 2018 extended the arrangement through its current expiration date of December 31, 2029.

Chapter 695 of 2019 required MSA and Baltimore City to promptly enter into a written agreement to begin the planning and design of the expansion or renovation of BCC in fiscal 2020.

**State Expenditures:** Commerce advises that a consultant is needed, given the scope of the task force's charge relating to recommendations and the timeframe for completing a report. Commerce estimates the cost to procure a consultant at approximately \$100,000. Accordingly, general fund expenditures increase by \$100,000 in fiscal 2025 only.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** SB 896 (Senator Carter)(By Request - Baltimore City Administration) - Finance.

**Information Source(s):** Department of Commerce; Baltimore City; Department of Legislative Services

**Fiscal Note History:** First Reader - February 29, 2024  
km/ljm Third Reader - March 19, 2024  
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