

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 96 (Delegate Rawlings. *et al.*)

Appropriations

Baltimore Convention Center - Annual Operating Deficits

This bill provides that the Maryland Stadium Authority has no obligation to pay two-thirds of the annual operating deficits of the Baltimore Convention Center through June 30, 2008 if the Baltimore City Council:

- approves construction of a hotel with more than 350 rooms at the Inner Harbor East site; or
- within five years after the construction of a hotel at the Inner Harbor East site, approves an expansion of the hotel to more than 350 rooms, unless before approval: (1) the Stadium Authority certifies that market conditions justify the expansion; and (2) the city council conducts appropriate public hearings.

This bill is effective July 1, 1998.

Fiscal Summary

State Effect: If the Stadium Authority does not have to pay two-thirds of the annual operating deficits of the convention center, general fund expenditures would decrease by \$3.9 million in FY 1999 and by an additional amount annually based on any growth in the operating deficits. Revenues would not be affected.

Local Effect: If Baltimore City is responsible for the full amount of the operating deficit, expenditures would increase by \$3.9 million in FY 1999 in order to offset the loss of State funds, and by an additional amount annually based on any growth. Revenues would not be affected.

Small Business Effect: None. Assuming the convention center would continue to be fully funded in any case, there would be no economic impact on small businesses.

Fiscal Analysis

State Expenditures: If construction of a hotel with more than 350 rooms at the Inner Harbor East site is approved and the Stadium Authority does not make any contributions to the operating deficit, Stadium Authority expenditures would decrease by \$3.9 million in fiscal 1999. Based on the convention center's current projections of annual operating deficits, expenditures would decrease by approximately 9% annually.

Local Expenditures: If construction of a hotel with more than 350 rooms at the Inner Harbor East site is approved and Baltimore City is responsible for the remaining two-thirds of the operating deficit, Baltimore City expenditures would increase by \$3.9 million in fiscal 1999. Based on the convention center's current projections of annual operating deficits, expenditures would increase by approximately 9% annually.

Information Source(s): Maryland Stadium Authority, Department of Business and Economic Development, Baltimore City, Department of Legislative Services

Fiscal Note History: First Reader - January 27, 1998

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