

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE
Revised

House Bill 9 (Delegate Taylor, *et al.*)

Economic Matters

Finance and Budget and Taxation

Maryland Tourism Development Board and Fund

This bill increases the general fund appropriation for the Maryland Tourism Development Board Fund, expands the membership of the Maryland Tourism Development Board, and requires the board to provide a report to certain committees by December 1, 2002.

The bill also provides that for each fiscal year, the Governor shall include in the annual budget bill a general fund appropriation for the Office of Tourism Development that is not less than the fiscal 2001 appropriation (\$7,040,342).

The bill takes effect June 1, 2001.

Fiscal Summary

State Effect: None in FY 2002. However, general fund expenditures would increase by \$2.5 million each year, beginning in FY 2003, to accommodate the increased appropriation for the Tourism Development Board Fund.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Net Effect	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)

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

Local Effect: Potential increase in revenues to the extent that the increased funding for the board increases partnerships between the State and local jurisdictions.

Small Business Effect: Potential minimal to the extent that increased funding assists small businesses in the tourism industry.

Analysis

Bill Summary: The bill expands the membership of the Maryland Tourism Development Board from 17 to 19 members to include two additional members from the private sector. It directs the President and the Speaker to ensure that each geographic region of the State is represented on the board.

The bill also increases the appropriation for the Maryland Tourism Development Board Fund -- a special nonlapsing fund used by the board to plan, advertise, and develop tourism and travel industries in the State -- from \$6 million in fiscal 2002 to \$8.5 million in fiscal 2003 and the following years.

Additionally, the legislation directs the board to report by December 1, 2002 to the Senate Finance, Senate Budget and Taxation, and House Economic Matters committees on its activities related to:

- planning, promotion, and development of the tourism industry in the State during fiscal 2001 and 2002;
- its anticipated plan of activities during fiscal 2003 through 2007; and
- its recommendations on the funding level for fiscal 2004 and subsequent fiscal years.

Current Law: Funding for the board is set in statute at \$6 million for fiscal 2001 and the following years.

Background: The board is charged with guiding State tourism policy, reviewing the impact of taxes and regulations that affect tourism businesses, improving the safety and security of tourists, and promoting and restoring the natural and historical resources of the State. The board is supported by Department of Business and Economic Development (DBED) staff.

State Expenditures: No general fund expenditure increase is expected in fiscal 2002. General fund expenditures would increase by \$2.5 million beginning in fiscal 2003. The Department of Legislative Services (DLS) advises that the mandated increase can be implemented with existing resources, particularly since three additional positions (two permanent and one new contractual) have been allocated to the Office of Tourism Development in the fiscal 2002 budget.

DLS also notes that the fiscal 2002 allowance for the Office of Tourism Development is approximately \$7.1 million and, therefore, the minimum appropriation required by the bill (no less than \$7 million as appropriated in fiscal 2001) is not likely to affect State finances.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Housing and Community Development,
Department of Business and Economic Development, Tourism Industry Association,
National Conference of State Legislatures, Department of Legislative Services

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