

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 426

(Senator Middleton, *et al.*)

Finance

Economic Matters

Maryland Tourism Development Board - Membership

This bill adds five members to the Maryland Tourism Development Board, three appointed by the Governor, one appointed by the President of the Senate, and one appointed by the Speaker of the House of Delegates.

Fiscal Summary

State Effect: None. Any additional expenditures for reimbursement of travel and other expenses for the new board members could be handled with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill increases the number of board members who must be Senators or Delegates from one from each house to two from each house and adds a new requirement that three board members are directors or chief executive officers from among the 25 destination marketing organizations (DMOs) recognized by the Maryland Office of Tourism Development. Board members that are directors or chief executive officers of DMOs are nonvoting members, and it is the intent of the General Assembly that they actively advocate and promote the interests of all DMOs.

Current Law: The board consists of 19 members, 11 appointed by the Governor in consultation with the Secretary of Business and Economic Development (Secretary) and with the advice and consent of the Senate, 4 appointed by the President of the Senate and 4 appointed by the Speaker. Two of the President's appointees and two of the Speaker's

appointees must be from the private sector business community. In addition, one of the President's appointees must be a State Senator, and one of the Speaker's appointees must be a Delegate. A member's term is three years. The Governor, the Speaker, and the President must ensure that specific factors are taken into consideration when making their appointments. Members serve without compensation, but are reimbursed for travel and other necessary expenses.

In addition to other responsibilities, the board must:

- draft and implement both a five year strategic plan for the promotion and development of tourism within the State and an annual marketing plan;
- encourage the development of new tourism resources, products, businesses, and attractions in the State;
- review existing and proposed taxes, fees, licenses, regulations, and regulatory procedures affecting tourism and tourism businesses in the State and evaluate their impact on the tourism industry's ability to create jobs and generate income; and
- spend funds of the Maryland Tourism Development Board Fund for the planning, advertising, promotion, assistance, and development of tourism and travel industries within the State.

For fiscal 2006 and each year thereafter, the Governor must include in the annual budget bill a proposed general fund appropriation of at least \$6.0 million for the Maryland Tourism Development Board Fund.

Background: The board is a subdivision of the Division of Tourism, Film and the Arts in the Department of Business and Economic Development. The board advertises Maryland and Maryland tourism in print publications, on television and on the internet. In addition, it produces the "Destination Maryland" guide and a calendar of events listing tourism events throughout the State.

The board is supported through general funds and special fund revenue generated from advertisements in board-produced magazines. In fiscal 2006, the board had general fund expenditures of \$5.0 million, and special fund expenditures of \$945,765. The fiscal 2007 appropriation for the board includes \$7.0 million in general fund expenditures with no special fund expenditures, and the Governor's proposed 2008 budget for the board includes an allowance of \$6.7 million in general funds and \$600,000 from special funds. Of the board's proposed general fund appropriation, \$50,000 may only be transferred to the Department of Labor, Licensing, and Regulation to fund expenditures for the Cecil County Breeder Fair.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Business and Economic Development, State Ethics Commission, Department of Legislative Services

Fiscal Note History: First Reader - February 14, 2007
mll/rhh Revised - Senate Third Reader - March 16, 2007

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