

SB0458/337476/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 458

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “for” in line 5 down through “Fund;” in line 17 and substitute “requiring the Comptroller, on or before a certain date each year, to make a certain calculation regarding certain annual sales and use tax revenues collected on the retail sale of tourist-oriented goods and services under certain codes after consultation with the Department of Business and Economic Development; requiring the Comptroller to report by a certain time on a certain calculation to the Governor, certain agencies, and the General Assembly; requiring the Governor to consider whether to include a certain appropriation to the Maryland Tourism Development Board Fund in the proposed State budget under certain circumstances; providing that certain funding is not required to be included in the State budget; stating the intent of the General Assembly;”; strike beginning with “requiring” in line 20 down through “Act;” in line 22; in line 23, strike “of Business and Economic Development”; and in line 25, strike “and provide a certain recommendation” and substitute “; providing for the effective date of certain provisions of this Act”.

On pages 1 and 2, strike in their entirety the lines beginning with line 27 on page 1 through line 6 on page 2, inclusive, and substitute:

“BY repealing and reenacting, with amendments,

Article – Economic Development

Section 4-214 and 4-216

Annotated Code of Maryland

(As enacted by Ch. ____ (H.B. 1050) of the Acts of the General Assembly of 2008)”.

(Over)

AMENDMENT NO. 2

On pages 2 through 6, strike in their entirety the lines beginning with line 34 on page 2 through line 30 on page 6, inclusive, and substitute:

“Article – Economic Development

4-214.

The Board shall:

(1) set policies for spending money on tourism advertising, written and graphic materials, cooperative and matching promotional programs, and other tourism and travel developmental and promotional activities for the State; [and]

(2) spend money of the Fund to plan, advertise, promote, assist, and develop the tourism and travel industries in the State; AND

(3) BEGINNING IN FISCAL YEAR 2011, PROVIDE GRANTS OF NOT LESS THAN \$2,500,000 IN TOTAL EACH FISCAL YEAR TO DESTINATION MARKETING ORGANIZATIONS FOR THE PURPOSE OF ATTRACTING VISITORS TO THE STATE.

4-216.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “TOURISM TAX INCREMENT” MEANS THE AMOUNT, IF ANY, BY WHICH THE TOURISM TAX REVENUES COLLECTED IN THE FISCAL YEAR 2 YEARS BEFORE A PARTICULAR FISCAL YEAR EXCEEDS THE TOURISM TAX REVENUES

COLLECTED IN THE FISCAL YEAR 3 YEARS BEFORE THE PARTICULAR FISCAL YEAR.

(3) "TOURISM TAX REVENUES" MEANS SALES AND USE TAX REVENUES COLLECTED ON THE RETAIL SALE OF TOURIST-ORIENTED GOODS AND SERVICES, AS DETERMINED BY THE COMPTROLLER UNDER SUBSECTION (C)(3) OF THIS SECTION.

(B) The Governor shall include in the annual budget bill a proposed General Fund appropriation to the Fund in an amount not less than \$6,000,000 for each fiscal year.

(C) (1) ON OR BEFORE AUGUST 1 OF EACH YEAR, THE COMPTROLLER SHALL CALCULATE THE AMOUNT OF THE QUALIFYING TOURISM TAX INCREMENT FOR THE CURRENT FISCAL YEAR IN ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION.

(2) THE QUALIFYING TOURISM TAX INCREMENT IS:

(I) IF THE TOURISM TAX INCREMENT EXCEEDS 3% OF THE TOURISM TAX REVENUES COLLECTED IN THE FISCAL YEAR 3 YEARS BEFORE THE CURRENT FISCAL YEAR, ONE-HALF OF THE AMOUNT OF THE TOURISM TAX INCREMENT ABOVE THE 3% INCREASE; OR

(II) IF THE TOURISM TAX INCREMENT DOES NOT EXCEED 3%, ZERO.

(3) THE COMPTROLLER SHALL:

(I) DETERMINE THE CLASSIFICATION CODES THAT SHALL

(Over)

BE INCLUDED IN TOURISM TAX REVENUES UNDER THIS SUBSECTION AFTER CONSULTING WITH THE DEPARTMENT; AND

(II) ON OR BEFORE AUGUST 1 OF EACH YEAR, REPORT THE AMOUNT OF THE QUALIFYING TOURISM TAX INCREMENT TO THE GOVERNOR, THE DEPARTMENT, THE DEPARTMENT OF BUDGET AND MANAGEMENT, AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

(4) THE GOVERNOR SHALL CONSIDER WHETHER TO INCLUDE THE AMOUNT OF THE QUALIFYING TOURISM TAX INCREMENT IN THE APPROPRIATION TO THE FUND IN THE PROPOSED STATE BUDGET FOR THE NEXT FISCAL YEAR, IN ADDITION TO THE AMOUNT TO BE INCLUDED IN THE BUDGET BILL UNDER SUBSECTION (B) OF THIS SECTION.

(5) THIS SUBSECTION MAY NOT BE CONSTRUED TO REQUIRE FUNDING IN THE STATE BUDGET OF THE QUALIFYING TOURISM TAX INCREMENT.

(6) IF THE PROPOSED STATE BUDGET FOR A PARTICULAR FISCAL YEAR INCLUDES AN APPROPRIATION TO THE FUND UNDER THIS SUBSECTION, IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE TOTAL ANNUAL FUNDING APPROPRIATED TO THE FUND IN ANY FISCAL YEAR NOT EXCEED BY MORE THAN \$5,000,000 THE SUM OF:

(I) THE QUALIFYING TOURISM TAX INCREMENT FOR THE FISCAL YEAR IMMEDIATELY PRECEDING THE PARTICULAR FISCAL YEAR; AND

(II) THE AMOUNT STATED IN SUBSECTION (B) OF THIS SECTION.

(D) ON OR BEFORE OCTOBER 1 OF EACH YEAR BEGINNING IN 2012, IN COOPERATION WITH THE BOARD AND THE MARYLAND ASSOCIATION OF DESTINATION MARKETING ORGANIZATIONS, THE DEPARTMENT SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE EFFECTIVENESS OF THE FUNDING PROVIDED UNDER SUBSECTIONS (B) AND (C) OF THIS SECTION IN INCREASING VISITOR ATTENDANCE AND VISITOR SPENDING IN MARYLAND.”

AMENDMENT NO. 3

On pages 6 and 7, strike in their entirety the lines beginning with line 37 on page 6 through line 14 on page 7, inclusive, and substitute:

“SECTION 3. AND BE IT FURTHER ENACTED, That, on or before August 1, 2008, the Comptroller shall calculate and report the amount of the qualifying tourism tax increment for fiscal year 2009 as provided under § 4-216(c) of the Economic Development Article, as enacted by this Act. For purposes of determining the qualifying tourism tax increment under § 4-216 of the Economic Development Article, as enacted by this Act, for fiscal years 2010 and 2011 only, the Comptroller shall adjust the calculation of revenues based on a 5% sales and use tax rate for fiscal years 2008 and 2009.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect October 1, 2008.”;

in line 15, strike “4.” and substitute “5.”; and in the same line, after “That” insert “, except as provided in Section 4 of this Act,”.