

**Department of Legislative Services**  
Maryland General Assembly  
2025 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 1016

(Delegate Wells)(By Request - Baltimore City  
Administration)

Ways and Means

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**Economic Development - Baltimore Convention and Tourism Redevelopment  
and Operating Authority - Established**

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This bill establishes the Baltimore Convention and Tourism Redevelopment and Operating Authority (BCTROA). Generally, BCTROA has joint authority to govern the Baltimore Convention site and the Baltimore City destination marketing organization (DMO), Visit Baltimore. The bill does not mandate or specify an intended funding level for BCTROA. **The bill takes effect July 1, 2025.**

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**Fiscal Summary**

**State Effect:** General fund expenditures likely increase significantly beginning in FY 2026 to fund at least part of BCTROA's administrative expenses. Annual amounts could exceed \$1.0 million annually, as discussed below. Nonbudgeted revenues and corresponding expenditures for BCTROA increase beginning as early as FY 2026 to the extent the authority charges for its services and uses those funds for its operations – potentially reducing State and/or local support. All funding is discretionary.

**Local Effect:** Local finances are likely affected, as discussed below.

**Small Business Effect:** Minimal.

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## Analysis

### Bill Summary:

#### *Baltimore Convention and Tourism Redevelopment and Operating Authority*

BCTROA is established as a body politic and corporate and an instrumentality of the State, consisting of specified members appointed by the Presiding Officers, the Mayor of Baltimore City, the Governor, and specified industry associations. The Mayor of Baltimore City must designate the BCTROA chair from among the appointed members. A member of BCTROA may not receive compensation as a member of the authority but is entitled to reimbursement for travel expenses. The exercise by BCTROA of a power under its statutory provisions is the performance of an essential governmental function.

The bill specifies additional administrative requirements, such as annual audits and reports. The State may also audit the books, records, and accounts of BCTROA.

#### *Applicability of State Laws*

BCTROA is exempt from specified provisions of State law related to employment and procurement, although BCTROA is still subject to procurement policies and procedures for exempt units and the Minority Business Enterprise Program. BCTROA is subject to the Public Information Act and the Open Meetings Act, while BCTROA members and employees are subject to the Public Ethics Law. BCTROA is also exempt from State and local taxes.

#### *Duties*

The bill specifies various duties for BCTROA, including that the Authority must:

- determine the character of any renovation, revitalization, or development projects relating to the Baltimore Convention site;
- enter into any agreements, leases, partnerships, or contracts necessary to renovate, revitalize, maintain, and manage the Baltimore Convention site and other specified property assets;
- analyze and provide recommendations regarding the sustainability, renovation, and modernization of and funding streams to renovate, revitalize, or develop the Baltimore Convention site and other specified property assets;
- fix and collect rates, rentals, fees, and charges for services required to successfully operate, maintain, and manage the Baltimore Convention site or other specified property assets;

- establish rules and regulations for the use of the Baltimore Convention site or other specified property assets; and
- govern the strategic and capital planning and resource allocation of the DMO for Baltimore City, Visit Baltimore, to ensure the ability of the organization to successfully market Baltimore City as a tourism destination with a specific emphasis on meetings and conventions.

### *Express Powers*

The bill specifies the express powers for BCTROA, including the ability to:

- employ or retain, either as employees or as independent contractors, various specified personnel as it considers necessary, and set their compensation;
- accept loans, grants, or assistance of any kind from specified governmental and private sources;
- retain, employ, or hire an independent firm for the purposes of renovating, revitalizing, maintaining, and managing the Baltimore Convention site and other specified property assets;
- acquire, purchase, hold, lease as lessee and use any real, personal, mixed, tangible, or intangible property;
- sell, lease as lessor, transfer, license, assign, or dispose of property or a property interest that it acquires;
- charge for services and resources that it makes available;
- create, own, control, or be a member of a corporation or other specified types of business entities, whether operated for profit or not for profit;
- fix and collect rates, rentals, fees, royalties, and charges for services and resources it provides or makes available; and
- exercise power usually possessed by a private corporation in performing similar functions unless to do so would conflict with State law.

**Current Law:** Chapter 635 of 2024 established the Baltimore Convention and Tourism Redevelopment and Operating Authority Task Force to study the establishment of an entity or strategy 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 was required to make related recommendations on the membership, purpose, and function of any recommended entity, as specified, and to [report](#) its findings and recommendations to the Mayor of Baltimore City, the Governor, and the General Assembly by December 1, 2024.

## *Baltimore Convention Center Funding*

The Baltimore Convention Center (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. The fiscal 2024 budget as passed by the General Assembly included \$25.7 million for the design, construction, and capital equipment infrastructure improvements to BCC. The funds are administered by MSA, which has entered into a memorandum of understanding with Baltimore City for the use of the funds.

**State/Local Fiscal Effect:** The bill does not mandate or specify an intended funding level for BCTROA, and it is unclear at this time what local funding, if any, will be provided to the authority for its use. **(Baltimore City did not respond to repeated requests for information for this fiscal and policy note).** As such, State and local expenditures associated with creating BCTROA cannot be reliably determined, particularly when expenditures depend in large part on the scope of the activities undertaken by the authority.

Nevertheless, BCTROA is established as an instrumentality of the State, which creates an expectation of funding, at least initially. As such, general fund expenditures likely increase significantly beginning in fiscal 2026 to fund at least part of BCTROA's administrative expenses. Based on the scope of BCTROA's powers and duties, the authority's administrative expenses could exceed \$1.0 million annually for staff, rent, and various financial and legal services. Nonbudgeted revenues and corresponding expenditures for BCTROA increase beginning as early as fiscal 2026 to the extent the authority charges for its services and uses those funds for its operations – potentially reducing State and/or local support.

Annual costs associated with significant renovation and redevelopment of BCC and the surrounding area are significantly higher than BCTROA's administrative expenses, and presumably would include a mixture of State and local funds. The task force report described above includes an assessment of potential local revenue options in addition to

MSA bonds. While BCTROA may act as a conduit for such funding, that spending is not necessarily directly attributable to this bill.

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### **Additional Information**

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

**Designated Cross File:** SB 672 (Senator M. Washington)(By Request - Baltimore City Administration) - Finance.

**Information Source(s):** Department of Commerce; Maryland Stadium Authority; Department of Legislative Services

**Fiscal Note History:** First Reader - February 18, 2025  
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