HB 1193

Department of Legislative Services

Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1193 (Delegate Hinebaugh)
Ways and Means

Department of Natural Resources - Savage Highlands State Park - Hotel Rental Surcharge

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This bill requires the Department of Natural Resources (DNR) to (1) assess and collect an 8% hotel rental surcharge on rental units on the property of the Savage Highlands State Park and (2) remit the proceeds from the surcharge to the Comptroller for distribution to Garrett County. From the part of the surcharge collected that is attributable to a rate of 6%, Garrett County must designate a portion for the promotion of the county, and the part of the surcharge collected that is attributable to the rate greater than 6% must be distributed to the general fund of the county. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: The bill is not expected to materially affect State finances.

Local Effect: Garrett County revenues increase by $53,573 in FY 2027 and $64,288 annually thereafter, and county expenditures increase by up to $40,180 in FY 2027 and up to $48,216 annually thereafter, as discussed below.

Small Business Effect: Potential meaningful.

Analysis

Current Law: DNR is responsible, under the Natural Resources Article, for (1) promoting, administering, and managing every State-owned or leased forest, park, scenic preserve, natural area, parkway, historic monument, and recreation area, and (2) administering every law and regulation relating to those resources.

Pursuant to DNR regulations, the State park system is administered under the jurisdiction of the Maryland Park Service (MPS) to preserve and protect the best of Maryland's natural and historic places for the enjoyment and appreciation of its citizens. The parks are managed to provide public benefits, including (1) natural resource conservation; (2) cultural and historic preservation; (3) watershed protection; (4) education and interpretation; and (5) nature-based outdoor recreation, including trails, picnicking, boating, camping, cabins, hunting, fishing, and swimming.

Savage River State Forest, approximately 56,000 acres of forest in Garrett and Allegany counties, is designated as a State forest in DNR regulations.

DNR purchased the Savage Highlands State Park (previously, the Savage River Lodge) in Garrett County, surrounded by the Savage River State Forest, in 2024, to incorporate the lodge within MPS's Western Maryland public lands and outdoor recreation sites.

Under the Local Government Article, counties are authorized to impose a hotel rental tax. A county sets the tax rate by resolution subject to certain limitations. The hotel rental tax in Garrett County may not exceed 8% under State law, and it is currently set at 8%.

Local Revenues: Garrett County revenues increase by $53,573 in fiscal 2027 and $64,288 annually thereafter due to the 8% hotel rental surcharge on rental units of the Savage Highlands State Park that is distributed to the county. This estimate assumes the park is open for most of the year in fiscal 2027, but not the full fiscal year. DNR indicates the park is expected to begin opening in late summer of 2026. Since the park is not currently open for reservations, this estimate is based on estimated rental and rate information, provided by DNR, shown in **Exhibit 1**.

Exhibit 1
Estimate Annual Rental Surcharge Revenues

	Number of Units	Projected Number of Rentals Per Unit Per year	Average Rate Per Unit	Annual 8% Surcharge Total
Cabins	18	200	$150/night	$43,200
Yurts	8	200	$150/night	19,200
Conference Room	1	50	$250/day	1,000
Campsites	4	150	$18.50/night	888
Total				**$64,288**

Source: Department of Natural Resources

Local Expenditures: Garrett County expenditures increase by up to $40,180 in fiscal 2027 and up to $48,216 annually thereafter (6/8, or 75%, of the surcharge revenues), due to the bill's requirement that the county designate a portion of the part of the surcharge attributable to a rate of 6%, for the promotion of the county. Other spending of the surcharge revenues is at the county's discretion.

Small Business Effect: Small businesses in Garrett County that benefit from tourism may benefit from Garrett County spending, pursuant to the bill, on promotion of the county.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 638 and HB 1277 of 2025.

Designated Cross File: SB 209 (Senator McKay) - Education, Energy, and the Environment.

Information Source(s): Comptroller's Office; Department of Natural Resources; Garrett County; Department of Legislative Services

Fiscal Note History: First Reader - February 15, 2026
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