

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 945 (Senator Charles)
 Budget and Taxation

Admissions and Amusement Tax and Sales and Use Tax - University of Maryland, College Park Athletic Competitions and Game Day Surcharge

This bill imposes a 3% State admissions and amusement tax on the gross receipts derived from admission to an athletic competition at the University of Maryland, College Park (UMCP) campus. The bill also alters the State sales and use tax by establishing a 3% game day surcharge imposed on specified sales made by a vendor within a 3-mile radius of the football stadium on the day before and the day on which a college football game is played at UMCP. The revenue generated from the State admissions and amusement tax and the game day surcharge are distributed to the University of Maryland Athletic Department Support Fund, which is established by the bill as a nonlapsing fund, to encourage student-athletes to attend UMCP. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: State special fund revenues increase by a significant amount beginning in FY 2027. Under one set of assumptions, revenues increase by \$0.9 million in FY 2027 and by \$1.0 million in FY 2031. General fund expenditures increase by \$202,700 in FY 2027. Future year expenditures reflect annualization and inflation.

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	\$0.9	\$0.9	\$1.0	\$1.0	\$1.0
GF Expenditure	\$0.2	\$0.1	\$0.1	\$0.1	\$0.1
Net Effect	\$0.7	\$0.9	\$0.9	\$0.9	\$0.9

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

Local Effect: None.

Small Business Effect: Potential meaningful. To the extent the imposition of the State admissions and amusement tax and the game day surcharge affects ticket sales or the

patronage of establishments near the UMCP campus, small business owners may realize a loss of revenue.

Analysis

Bill Summary: The game day surcharge established by the bill is imposed on the sale of: (1) food by a restaurant or an alcoholic beverages licensee; (2) specified alcoholic beverages, by an alcoholic beverages licensee; or (3) an accommodation.

A restaurant is defined as an establishment: (1) that is for the accommodation of the public; (2) that has a proper and an adequate dining room and sufficient facilities for preparing and serving meals; and (3) whose average annual receipts from the sale of food comprise at least 25% of the average receipts of the business.

The University of Maryland Athletic Department Support Fund established by the bill consists of (1) State admissions and amusement tax revenue from UMCP sporting events; (2) game day surcharge revenue; (3) any money appropriated to the fund; (4) any federal grant funds; and (5) any other money from any other source accepted for the benefit of the fund. Money in the fund may be expended only to provide scholarships or other financial compensation to student-athletes who are attending UMCP. Money expended from the fund must be used to supplement, not supplant, money that the UMCP athletic department receives from other sources.

Current Law: The Maryland Stadium Authority is authorized to impose a tax on the gross receipts derived from any admissions and amusement charge for a facility owned or leased by the stadium authority. The stadium authority also may impose an additional tax for each person provided with a free admission or an admission at a reduced charge to a stadium authority facility. The stadium authority began collecting these taxes in 1992, when the Baltimore Orioles professional baseball club began playing at Camden Yards. Currently, these taxes are imposed at both stadiums at Camden Yards (Orioles Park at Camden Yards and the M&T Bank Stadium for the Baltimore Ravens professional football team).

Sales and Use Tax

The general State sales and use tax rate is 6%. Higher sales and use tax rates apply to the retail sale of alcoholic beverages and adult-use cannabis, which is taxed at 9% and 12%, respectively.

State Revenues: State special fund revenues increase by a significant amount beginning in fiscal 2027. Based on the following assumptions, revenues could increase by approximately \$0.9 million in fiscal 2027 and by \$1.0 million in fiscal 2031.

State Admissions and Amusement Tax

Information from UMCP Athletic Department indicates that the following sporting events require paid admission by the general public (student tickets are generally free): football; men's and women's basketball; men's and women's lacrosse; wrestling; and baseball (some weekday games may be free). Sports like cross country, field hockey, golf, gymnastics, softball, and track & field are generally free to the public.

- Football games are played at SECU Stadium, which has a seating capacity of 46,185. The average ticket price is \$38, although ticket prices can be higher for big games.
- Men's and women's basketball is played at the 17,950 seat Xfinity Center. Average ticket prices range from \$33-\$42 but can be higher.
- Wrestling events are held at the Schanwald Pavilion at Xfinity Center, which has a seating capacity of 1,500. Ticket prices range from \$14-\$30 depending on opponent.
- Men's and women's lacrosse is played at the Field Hockey and Lacrosse Complex (1,400 seats), although some big games are played at SECU Stadium. Tickets for men's games average \$9-\$40, and tickets to women's games range from \$4-\$10.
- Baseball games are played at Bob "Turtle" Smith Stadium (ShIPLEY Field). Seating capacity is 2,500 but can be up to 3,000. Ticket prices range from \$15-\$19 per game, although, weekday games are often free.

According to the Knight-Newhouse College Athletics Database, UMCP reported \$14.8 million in ticket sale revenue in 2024. Assuming a 2.1% increase in annual ticket sale revenues, State admissions and amusement tax revenues from UMCP sporting events could total approximately \$470,00 in fiscal 2027.

Game Day Surcharge

In addition to imposing the State admissions and amusement tax on athletic ticket sales at UMCP, the bill imposes a game day surcharge on the sale of food, alcoholic beverages, and hotel rooms within a 3-mile radius of SECU Stadium on the day before and the day of football games played at UMCP. Based on a preliminary analysis of hotels and restaurants within the targeted area, State revenues from the game day surcharge could total approximately \$450,000 in fiscal 2027. This estimate is based on the following facts and assumptions:

- 7 football games annually, 14 days on which the surcharge applies;
- SECU Stadium holds 46,185 attendees;
- approximately 41,700 students are enrolled at UMCP;
- 1,000 hotel rooms within 3 miles of stadium;

- average room rate is \$250;
- occupancy rate is 95%;
- approximately 30 restaurants within 3 miles of stadium;
- per person spending on food is \$74 and \$25 on alcohol; and
- each restaurant serves between 150-400 patrons daily.

To the extent that actual spending on food and beverages, as well as hotel spending and occupancy rates varies from the estimate, the effect on revenues will vary accordingly.

State Expenditures: General fund expenditures for the Comptroller’s Office increase by \$202,700 in fiscal 2027. The estimate is based on hiring one financial compliance auditor to monitor compliance with the new taxes imposed by the bill. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. The Comptroller’s Office will also incur computer programming expenses totaling \$125,000 in fiscal 2027 to modify the tax collection system.

Positions	1.0
Salaries and Fringe Benefits	\$68,533
Computer Programming and Modification	125,000
Operating Expenses	<u>9,141</u>
Total FY 2027 Comptroller Expenditures	\$202,674

Additional Information

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

Designated Cross File: None.

Information Source(s): Comptroller’s Office; University System of Maryland; Department of Legislative Services

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