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THE MARYLAND HOUSE OF DELEGATES
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HB1301-Baltimore City – Visit Baltimore – Appropriation Calculation
Bill Hearing: March 9th, 2021 Appropriations Committee

Chairwoman McIntosh, Vice Chair Chang, and Members of the Appropriations Committee,

HB1301 alters the calculation for Baltimore City’s annual appropriation to Visit Baltimore from city hotel tax revenue. The calculation must be based on the average of the actual hotel room tax receipts received from the immediately preceding three-year rolling average rather than from the actual receipts for the completed fiscal year. The bill also extends from fiscal 2022 until 2027, the required distribution to Visit Baltimore. The bill takes effect July 1, 2023. The actual amount of the annual distribution cannot be reliably estimated and will depend on actual hotel tax revenues generated in each year.

Under current law Baltimore City imposes a hotel tax rate of 9.5%. At least 40% of hotel tax revenues must be distributed to Visit Baltimore for the marketing and operations of the convention center and tourism promotion. If revenue from a prior fiscal year differs from the budgeted amount, Visit Baltimore receives 40% of this difference during the next fiscal year. The required distributions from hotel tax revenue to Visit Baltimore terminate at the end of fiscal 2022. In addition, hotel tax revenue generated by the Convention Center Hotel is reserved to pay for the debt service on the hotel. Baltimore City completed its final debt service payment for the hotel in fiscal 2020.

We urge a favorable vote for HB1301.

Delegate Stephanie Smith