

# VISIT BALTIMORE

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## **SB789**

February 16, 2020

TO: Members of the Budget and Taxation Committee

FROM: Al Hutchinson, President & CEO, Visit Baltimore

RE: Senate Bill 789

POSITION: SUPPORT with AMENDMENTS

Chair Senator Guy Guzzone, Vice Chair Senator Jim Rosapepe, and Members of the Committee,

Visit Baltimore supports Senate Bill 789.

The tourism industry in Baltimore and the world over has been severely impacted by the COVID-19 pandemic, this has resulted in job losses, reduced wages and salaries and budget cuts that will take years to recover from. As the destination marketing organization for Baltimore City, Visit Baltimore is charged with leading the recovery effort.

Currently, Visit Baltimore receives an allocation of a one-year projected receipts of the collected hotel occupancy tax. Once reconciled, any overage or shortfall is paid to Visit Baltimore or to the City two fiscal years after collection with an overage or shortfall having to be paid to Visit Baltimore or the City, Visit Baltimore's budget is subject to wild swings. Further, Baltimore City is often having to make a projection that in recent times has resulted in Visit Baltimore having to return funds to the general fund two fiscal years later.

The proposed legislation is to provide Visit Baltimore with 40% of the average of the three (3) most recent years of reconciled Hotel Occupancy Tax. We prefer and support a start date of July 1, 2021. Without effective promotion, destinations cede the economic benefits to other destinations and fall behind the competition. It is a mistake from which it takes many years to recover—and it is a mistake that is easily avoided when governments prioritize the long-term economic outlook of their communities.

We respectfully request a favorable report on amended Senate Bill 789.