

**Support SB 529 02032021.pdf**

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February 3, 2021

## **Senate Bill 529**

### **Anne Arundel County - Hotel Tax Alterations - Distribution of Revenue**

#### **Senate Budget and Tax Committee**

#### **Position: FAVORABLE**

Senate Bill 529 grants Anne Arundel County the ability to provide oversight to private organizations that receive a mandated distribution from County hotel tax revenue, while maintaining the existing funding formula that our County partners rely on to do their work.

The Annapolis and Anne Arundel County Conference and Visitors Bureau (“Visitor’s Bureau”) and the Arts Council of Anne Arundel County, Inc. (“Arts Council”) are critical partners for the County. As the Destination Marketing Organization (“DMO”) for Anne Arundel, the Visitor’s Bureau helps to generate revenues for the local economy by promoting the County and the Chesapeake Bay to leisure and business travelers across the country and around the world. The Arts Council is the premier resource of the cultural arts community in the County, advocating for and generating investment in the visual arts, performing arts, and historic preservation. Under the Bill, the County will continue to provide the current distribution of 17% of the County hotel tax to the Visitor’s Bureau and 3% to the Arts Council.

The County has an obligation to ensure that funds from the County hotel tax are used responsibly. Current law does not require the Visitor’s Bureau or the Arts Council to come before the County Council for their appropriations, nor are they required to allow the County Auditor access to their records. This Bill will ensure that the County Auditor and the County Council are legally able to provide the oversight our residents deserve.

For those reasons, we request a **FAVORABLE** report on SB 529.

**SenElfreth\_FAV\_SB529.pdf**

Uploaded by: Elfreth, Sarah

Position: FAV

SENATOR SARAH ELFRETH  
*Legislative District 30*  
Anne Arundel County

Budget and Taxation Committee

*Subcommittees*

Education, Business and Administration

Chair, Pensions

*Senate Chair*

Joint Committee on Administrative,  
Executive, and Legislative Review

Joint Committee on the Chesapeake and  
Atlantic Coastal Bays Critical Area



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THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

February 3, 2020

**Testimony in Favor of SB0529**  
**Anne Arundel County - Hotel Tax Alterations - Distribution of Revenue**

Chairman Guzzone, Vice-Chair Rosapepe, and members of the Budget and Taxation Committee,

I respectfully request a favorable report of Senate Bill 529. The bill will make necessary changes with respect to the hotel tax revenue distribution in Anne Arundel County and the City of Annapolis:

1. Ensures that there are additional oversight measures in place for both the County and City to fulfill their fiduciary responsibility of taxpayer dollars that they provide to Anne Arundel County Conference and Visitors Bureau - Visit Annapolis and Anne Arundel County for short (VAAAC); and,
2. Directly secures an additional 3% of the fund to the City of Annapolis's Arts in Public Places Commission (AIPPC).

The heart of the bill deals with increasing oversight and transparency of a quasi-public entity that subsists primarily on taxpayer dollars. The VAAAC has faced challenges and criticisms in their stewardship of public taxpayer funds as well as personnel issues that have made the front page of the paper. In response to this, the VAAAC Board has undertaken the necessary steps to investigate the matter, make changes to both staff and the work environment, and bring in Maryland Nonprofits to revise the Board structure, bylaws, and governance structures to address these concerns.

While I, other government officials, and community members are pleased that VAAAC has taken these proactive steps, this legislation is still necessary to ensure long-term accountability and public trust by:

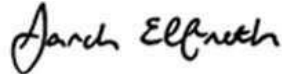
1. Requiring additional reports for the use of this funding to both City officials and the General Assembly;
2. Allowing the County Auditor to conduct and audit of the recipients of this funding; and,
3. Allowing the County and City to withhold this funding if they fail to report or fail to remedy any findings in the aforementioned audit.

The second portion of the bill brings parity to arts funding within the City of Annapolis. AIPPC is a governmental entity commissioned by the City of Annapolis to grow public art by various means and support local artists and public art ventures.

The current distribution of funding generated by the hotel tax dedicates 3% of revenue generated in both the City and County to the Arts Council of Anne Arundel County. We do not wish to disrupt this flow, but rather supplement arts funding locally by dedicating an additional 3% of hotel tax revenue generated in the City to the AIPPC. The City already dedicates operating funding to the AIPPC through its operating budget, thus making the swap net budget neutral. The dedicated funding that this bill would secure for AIPPC would ensure that the Commission has the tools to continue and expand this work in future years.

I respectfully request a favorable report of Senate Bill 529.

Sincerely,

A handwritten signature in black ink that reads "Sarah Elfreth". The signature is written in a cursive, flowing style.

Sarah Elfreth