

SB0789-B&T-FAV.pdf

Uploaded by: Mehu, Natasha

Position: FAV



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

SB 789

February 24, 2021

TO: Members of the Senate Budget & Tax Committee

FROM: Natasha Mehu, Director of Government Relations

RE: SENATE BILL 789 – Baltimore City - Visit Baltimore - Appropriation Calculation

POSITION: SUPPORT

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 789.

Visit Baltimore serves as Baltimore City's destination marketing organization charged with promoting Baltimore City to the world and helping to generate the economic benefits that come from tourism. Unfortunately, the tourism industry has been devastated due to the COVID-19 pandemic. This has resulted in job losses, reduced wages and salaries, and budget cuts. As such, Visit Baltimore and BCA have worked to explore options for easing the impacts of the pandemic on the agency's funding.

SB 789 would shift the funding calculation for Visit Baltimore from a one-year projected receipts model to a three-year rolling average. Under the current funding process, Visit Baltimore receives an allocation of one-year projected receipts of the collected hotel occupancy tax. Once audited, any overage or shortfall is paid to Visit Baltimore or to the City two fiscal years after collection. This process subjects Visit Baltimore's budget to wild swings which would be mitigated under the proposed three-year rolling average model.

For these reasons, the BCA respectfully request a **favorable** report on Senate Bill 789.

VBTestimonySB789rev2.pdf

Uploaded by: Blom, Mia

Position: FWA

VISIT BALTIMORE

400 E PRATT ST, 10TH FLOOR
BALTIMORE, MD 21202

BALTIMORE.ORG

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.