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**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.