

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

March 23, 2021

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

Chairwoman Kaiser, Vice-Chair Washington, and members of the Ways and Means 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.

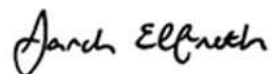
The second portion of the bill brings parity to arts funding within the City of Annapolis. AIPPC is a governmental entity commissioned by the City of Annapolis to grow public art by various means and support local artists and public art ventures.

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.

There was a technical amendment to the bill in the Senate that simply adds a date for the report required for the use of hotel tax every year. This legislation passed the Senate unanimously and 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 style with a large initial 'S' and 'E'.

Sarah Elfreth