

SB 95 - FAV - MHLA_OCHMRA.pdf

Uploaded by: Amy Rohrer

Position: FAV



January 24, 2024

Senate Budget & Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401

Re: Support for SB95 – Eastern Shore Code Counties – Maximum Hotel Rental Tax Rate - Alteration

Honorable Members of the Senate Budget & Taxation Committee:

The Maryland Hotel Lodging Association (MHLA) and the Ocean City Hotel Motel Restaurant Association (OCHMRA), together represent nearly 800 hotel properties with more than 82,000 rooms in Maryland. Altogether, Maryland's hotels provide the state with \$1 billion in state and local taxes, \$5 billion in total wages and salaries, and \$9 billion in total gross domestic product. On behalf of our member hotels, we write to provide comments in cautious support of Senate Bill 95.

The bill before you would enable the four Eastern shore code counties (Caroline, Kent, Queen Anne's and Worcester) to increase their hotel tax from 5% to 6%. We believe these markets can support the proposed 1% increase **only if the intention at the local level is to increase funding for tourism marketing and promotion** for the destination as a result of increased hotel tax revenues.

According to the Maryland Office of Tourism, for every dollar invested in tourism marketing and promotion, the state realizes a ROI of \$31 as a result of visitor spending. As we compete with other destinations for visitors, marketing is critical for maximizing tourism as part of an economic ecosystem that delivers opportunity and quality of life for Marylanders.

Thank you for considering our comments. Please contact us if further information is needed.

Sincerely,

A handwritten signature in black ink that reads "Amy W. Rohrer".

Amy W. Rohrer, President & CEO
Maryland Hotel Lodging Association
410-974-4472 / amy@MDLodging.org

A handwritten signature in black ink that reads "Susan L. Jones".

Susan L. Jones, Executive Director
OC Hotel-Motel-Restaurant Association
410.289.6733 / susanjones@ocvisitor.com

SB0095_OCChamber_Thompson_FAV.pdf

Uploaded by: DENNIS RASMUSSEN

Position: FAV



Ocean City, Maryland Chamber of Commerce

410-213-0144 | info@oceancity.org
oceancity.org | 12320 Ocean Gateway, Ocean City, MD 21842

TESTIMONY OFFERED ON BEHALF OF THE GREATER OCEAN CITY MARYLAND CHAMBER OF COMMERCE

IN SUPPORT OF:

SB0095 – Eastern Shore Code Counties – Maximum Hotel Rental Tax Rate - Alteration

Before:
Budget and Taxation Committee
Hearing: 1/24/24 at 1:00 PM

The Greater Ocean City Chamber of Commerce, representing more than 700 regional businesses and job creators, **SUPPORTS Senate Bill SB0095 – Eastern Shore Code Counties – Maximum Hotel Rental Tax Rate - Alteration**. This enabling legislation would grant the Eastern Shore Code Home Rule Counties the authority to increase the hotel room tax rate from five percent to a maximum of six percent. The hotel rental tax rate is a dedicated source of funding for tourism and tourism-related expenses, including providing sufficient public safety for all those who come here to visit. An estimated 2/3 of visitors to Ocean City are residents of nearby states, infusing Maryland's economy with consumer spending from outside sources.

The Greater Ocean City Chamber respectfully requests a **FAVORABLE REPORT for SB0095**. Please feel free to contact the Chamber directly at 410-213-0144 should you have any questions.

Respectfully,

Amy Thompson
Executive Director
amy@oceancity.org

Joe Schanno
Legislative Committee Chair
joe.schanno@gmail.com

2024 Support for SB 95 - Maximum Hotel Rental Tax

Uploaded by: Joe Mitrecic

Position: FAV



Worcester County Government

One West Market Street | Room 1103 | Snow Hill MD 21863-1195

(410) 632-1194 | (410) 632-3131 (fax) | admin@co.worcester.md.us | www.co.worcester.md.us

January 22, 2024

Honorable Senator Guy Guzzone
3 West
Miller Senate Office Building
Annapolis, MD 21401

Dear Chair Guy Guzzone and Budget and Taxation Committee Members:

The Worcester County Commissioners fully support SB 95 – Eastern Shore Code Counties – Maximum Hotel Rental Tax Rate – Alteration. SB 95 would grant Worcester County the authority to increase the County room tax from five percent to a maximum of six percent. As background, in January 2022 we endorsed a request from the Ocean City Mayor and Council for this legislation, as it would allow the town to cover future tourism-related expenses.

As you know, hotel room tax revenues provide a dedicated source to fund tourism and tourism-related activities, and the return for each dollar invested in tourism marketing generates \$31 in visitor spending, making the authority to increase hotel room tax by up to an additional one percent mutually beneficial to each of our Eastern Shore Code Home Rule Counties, as we promote tourism-related activities that attract residents and visitors alike to live, play, and explore our Eastern Shore communities.

Thank you in advance for your consideration and support of our request.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony W. Bertino, Jr." with a stylized flourish at the end.

Anthony W. Bertino, Jr.
President

CC: Senator Mary Beth Carozza
Delegate Wayne Hartman
Delegate Charles Otto

SB 95 Caroline County Support Letter.pdf

Uploaded by: Senator Mary Beth Carozza

Position: FAV



CAROLINE COUNTY
you belong here
CAROLINE COUNTY COMMISSIONERS OFFICE

JAMES TRAVIS BREEDING, PRESIDENT
LARRY C. PORTER, VICE PRESIDENT
NORMAN FRANKLIN BARTZ, III., COMMISSIONER
109 Market Street, Room 123
Denton, Maryland 21629

January 23, 2024

President Anthony W. Bertino, Jr.
Worcester County Commissioners
Worcester County Government Center
1 West Market Street, Room 1103
Snow Hill, MD 21863

Re: Enabling Legislation for Increasing County Room Tax – Letter of Support

Honorable Mr. Bertino,

The Commissioners of Caroline County are in support of enabling legislation granting the Eastern Shore Code Home Rule Counties the authority to increase the hotel room tax from five percent to the maximum of six percent.

As mentioned in your communications, the Department of Legislative Services requested that each Home Rule County on the Eastern Shore be in support of increasing the hotel room tax to successfully pass this legislation. With this, we hope this letter provides adequate verification of our support.

Sincerely,

COUNTY COMMISSIONERS OF
CAROLINE COUNTY, MARYLAND
J. Travis Breeding, President

SB 95 Kent County Support Letter.pdf

Uploaded by: Senator Mary Beth Carozza

Position: FAV



The County Commissioners of Kent County
Ronald H. Fithian, President | Albert H. Nickerson, Member | John F. Price, Member
Shelley L. Heller, County Administrator | Thomas N. Yeager, County Attorney

November 14, 2023

The Honorable Anthony W. Bertino, Jr.
President, Worcester County Government
One West Market Street – Room 1103
Snow Hill, MD 21863-1195

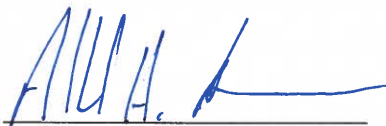
RE: Support for Enabling Legislation to Increase County Room Tax

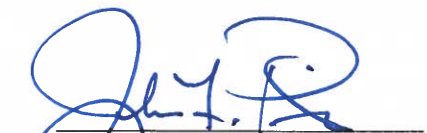
Dear President Bertino:

We, the County Commissioners of Kent County, Maryland, support Worcester County with the request for enabling legislation to increase county room tax for Eastern Shore Code Home Rule Counties. We appreciate the opportunity to lend our support to our fellow Eastern Shore Counties.

Sincerely,
THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND


Ronald H. Fithian, President


Albert H. Nickerson, Member


John F. Price, Member

SB 95 Queen Anne's County Support Letter.pdf

Uploaded by: Senator Mary Beth Carozza

Position: FAV



Queen Anne's County

THE COUNTY COMMISSIONERS OF QUEEN ANNE'S COUNTY

The Liberty Building
107 North Liberty Street
Centreville, MD 21617

e-mail: OACCommissioners&Administrator@gac.org

County Administrator: Todd R. Mohn, PE
Executive Assistant to County Commissioners: Margie A. Houck
County Attorney: Patrick Thompson, Esquire

County Commissioners:

- James J. Moran, At Large
Jack N. Wilson, Jr., District 1
J. Patrick McLaughlin, District 2
Philip L. Dumenil, District 3
Christopher M. Corchiarino, District 4

November 14, 2023

President Anthony W. Bertino, Jr.
Worcester County Commissioners
One West Market Street
Room 1103
Snow Hill, MD 21863-1195

Re: Support for Enabling Legislation to Increase Hotel Room Tax

Dear President Bertino,

The Queen Anne's County Commissioners fully support Worcester County Government's initiative to establish enabling legislation from the Maryland Legislature to grant Eastern Shore Code Home Rule Counties the authority to increase the hotel room tax from five percent up to a maximum of six percent.

This enabling legislation will provide future opportunities for our Eastern Shore Code Home Rule Counties as we continue to promote tourism-related activities for both residents and visitors to our communities.

Sincerely,

QUEEN ANNE'S COUNTY
BOARD OF COUNTY COMMISSIONERS

James J. Moran, President

Jack N. Wilson, Jr.

Philip L. Dumenil

Christopher M. Corchiarino

J. Patrick McLaughlin

- cc Senator Steven S. Hershey, Jr.
Delegate Steven J. Arentz
Delegate Jefferson L. Ghrist
Delegate Jay A. Jacobs

SB 95 Testimony - Carozza_FINAL.pdf

Uploaded by: Senator Mary Beth Carozza

Position: FAV

MARY BETH CAROZZA
Legislative District 38
Somerset, Wicomico,
and Worcester Counties

Education, Energy, and
the Environment Committee

Executive Nominations Committee



Annapolis Office
James Senate Office Building
11 Bladen Street, Room 316
Annapolis, Maryland 21401
410-841-3645 • 301-858-3645
800-492-7122 Ext. 3645
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MaryBeth.Carozza@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

January 24, 2024

The Budget and Taxation Committee

SB 95 – Eastern Shore Code Counties – Maximum Hotel Rental Tax Rate – Alteration
Statement of Support by Bill Sponsor Senator Mary Beth Carozza

Thank you, Chair Guzzone, Vice Chair Rosapepe, and the distinguished members of the Senate Budget and Taxation Committee for hearing Senate Bill 95 – Eastern Shore Code Counties – Maximum Hotel Rental Tax Rate – Alteration.

Senate Bill 95 is a local priority bill that would enable the code counties of the Eastern Shore to set a new hotel rental tax rate of up to 6 percent. For reference, there are four counties on the Eastern Shore – Caroline, Kent, Queen Anne’s, and Worcester – that operate under home rule, which empowers county-level government with broad legislative authority and limits the scope of the General Assembly’s local legislative powers. One of these limitations is that home rule code counties are protected from local laws enacted by the General Assembly unless the law is applied to all code counties in a ‘class,’ which is why we are here before you today. All four of the Eastern Shore Code Counties support this legislation.

Under current law, the hotel rental tax rate for these counties is capped at 5 percent. More than 65 percent of the hotel tax is paid by out-of-state visitors, **not** Maryland residents, and is a dedicated source of funding for tourism and tourism-related activities. This funding is **essential** for Ocean City’s future with the estimated \$5.4 million increase to Ocean City’s public safety budget, 12 additional full-time firefighters and paramedics, four additional full-time police officers, and lifeguard and transportation employee wage increases, which are all necessary to keep Ocean City a clean and safe destination.

Further, Ocean City needs to remain competitive among its peers. Myrtle Beach has a \$50 million tourism budget, Virginia Beach has a \$30 million tourism budget, and the Outer Banks is at \$16 million. Ocean City’s tourism budget is only \$1.8 million. On average, each dollar invested in tourism marketing generates \$31 in visitor spending. Our Shore tourism is an economic driver for the whole State.

The hotel rental tax rate is a dedicated source of funding for tourism and tourism-related activities and the Eastern Shore code counties believe making this minimal increase would be mutually beneficial.

I truly appreciate your kind attention and consideration, and I respectfully ask for a swift and favorable report on SB 95.

SB 95 Worcester County Support Letter.pdf

Uploaded by: Senator Mary Beth Carozza

Position: FAV



Worcester County Government

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January 22, 2024

Honorable Delegate Vanessa Atterbeary
6 Bladen Street, Room 131
Annapolis, MD 21401

Dear Chair Atterbeary and Members of the Ways and Means Committee:

The Worcester County Commissioners fully support HB 185 – Eastern Shore Code Counties – Maximum Hotel Rental Tax Rate – Alteration. HB 185 would grant Worcester County the authority to increase the County room tax from five percent to a maximum of six percent. As background, in January 2022 we endorsed a request from the Ocean City Mayor and Council for this legislation, as it would allow the town to cover future tourism-related expenses.

As you know, hotel room tax revenues provide a dedicated source to fund tourism and tourism-related activities, and the return for each dollar invested in tourism marketing generates \$31 in visitor spending, making the authority to increase hotel room tax by up to an additional one percent mutually beneficial to each of our Eastern Shore Code Home Rule Counties, as we promote tourism-related activities that attract residents and visitors alike to live, play, and explore our Eastern Shore communities.

Thank you in advance for your consideration and support of our request.

Sincerely,

A handwritten signature in blue ink that reads "Anthony W. Bertino, Jr." The signature is fluid and cursive, with a large, sweeping flourish at the end.

Anthony W. Bertino, Jr.
President

CC: Senator Mary Beth Carozza
Delegate Wayne Hartman
Delegate Charles Otto

Senate Delegation Support - Committee Requirement.

Uploaded by: Senator Mary Beth Carozza

Position: FAV

MARY BETH CAROZZA
Legislative District 38
Somerset, Wicomico,
and Worcester Counties

Education, Energy, and
the Environment Committee

Executive Nominations Committee



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MaryBeth.Carozza@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

January 24, 2024

The Honorable Guy Guzzone
Senate Budget and Taxation Committee
3 West
Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chair Guzzone,

Senator Mary Beth Carozza supports Senate Bill 95 – Eastern Shore Code Counties – Maximum Hotel Rental Tax Rate - Alteration. I thank you for your committee's consideration of this bill and request a favorable report.

In Service,

MARY BETH CAROZZA
State Senator – District 38
Somerset, Worcester, and Wicomico