

MHLA

Maryland Hotel Lodging Association



February 1, 2024

House Ways and Means Committee
Room 131, House Office Building
Annapolis, MD 21401

Re: Support for HB 186 – Eastern Shore Code Counties – Maximum Hotel Rental Tax Rate - Alteration

Honorable Members of the House Ways and Means 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 House Bill 186.

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,

Amy W. Rohrer, President & CEO
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