



January 30, 2024

Maryland House of Delegates
Delegate Wilkins, Chair
Ways and Means Committee
121 House Office Building
6 Bladen Street
Annapolis, MD 21401

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

Chairperson Wilkins and Members of the Committee,

My name is Matt Libber, and I am the Legislative Committee Chair for the Maryland Tourism Coalition (MTC). I am writing to you today to express MTC's support for House Bill 186. The Maryland Tourism Coalition is a trade organization with members representing all areas of tourism in the State of Maryland. Our mission is to support businesses and organizations that cater to the tourism industry through education, networking, and advocacy. As such, MTC asks the committee to vote in favor of this bill.

This enabling legislation provides the Eastern Shore Code Counties the ability to increase their hotel and lodging tax to support economic development within their counties. We are aware that Worcester County is interested specifically in this legislation to support a proposed sports event facility within the County. Projects like this have a positive impact on the tourism industry in the region by bringing more visitors to the area who stay in hotels, eat in restaurants, and shop in stores. These activities increase tax revenues for the State, bring needed jobs, and promote additional economic development in the region.

Detractors of this bill will state that the increase tax would be a deterrent to visitors coming and staying in the counties that increase the hotel and lodging tax. However, we do not agree with this assessment. The increase in the hotel and lodging tax would only increase the cost of a hotel room by a few dollars for the traveler. While these marginal increases for the customer are insignificant, in aggregate, this increase would lead to significant revenue for the county. Additionally, most travels are not cost comparing the hotel and lodging tax when shopping for hotels. In most cases the destination is predetermined, and the only price shopping would be between hotels in the same location, not by which jurisdiction has the lower hotel and lodging tax.



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While this is enabling legislation, and ultimately the implementation falls to the individual counties, it is the desire that any tax increase implemented by the individual counties would be used for the continued promotion of tourism and/or the development of new tourism assets in the community.

For these reasons, the Maryland Tourism Coalition asks this committee to vote in favor of this legislation and forwarded it a full vote within the House of Delegates.

Respectfully submitted,

Matt Libber
Legislative Chair
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