Testimony in Support of HB 916
Garrett County - Hotel Rental Tax - Alterations
February 27, 2024
House Ways and Means Committee

The Maryland Hotel Lodging Association (MHLA) serves as the sole statewide trade association dedicated to advocacy for Maryland's 750+ hotels. Our industry employs more than 25,000 individuals and provides 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.

The hotel industry supports home sharing and we have long advocated for ordinances that officially legalize such short-term rentals. But we also believe short-term rentals should abide by the same laws as hotels and every other business: registering their business, paying taxes, following laws and regulations, and removing illegal listings.

This legislation proposes updates to ensure that short-term rental platforms collect and remit hotel tax on all of their bookings in Garrett County. Hosting platforms are already required to collect and remit Maryland <u>sales tax</u> on behalf of hosts.[1] Requiring hosting platforms to also <u>collect hotel tax at the point of sale</u> in Garrett County will help to eliminate the unfair pricing disadvantage for hotels and other short-term rentals that already do so. This would result in transparency for consumers along with fairness for all who are in the business of providing lodging accommodations in the county.

Hotels, short-term rental operators, attractions, restaurants and the county itself all stand to benefit from enhanced short-term rental platform accountability in Garrett County. Increased hotel tax collection typically leads to more funding for tourism marketing and promotion of a destination. As more visitors choose to stay and spend their dollars in Garrett County, it will result in an even greater economic impact by the tourism industry locally and statewide.

For these reasons, we respectfully request a <u>Favorable Report</u> on <u>HB 916</u>.

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[1] <u>Ch_704_hb0884T.pdf (maryland.gov)</u>