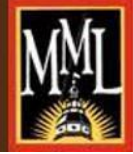




Prince George's County Municipal Association

An Association of 27 Municipalities



January 29, 2025

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

Support for SB324 - Admissions and Amusement Tax - Food and Beverages

Dear Chair Guzzone, Vice Chair Rosapepe, and members of the Budget and Tax Committee,

Thank you for the opportunity, on behalf of 27 municipalities that make up the Prince George's County Municipal Association (PGCMA), which collectively represents more than 955,000 residents, to share our support for SB 324 the Admissions and Amusement Tax for Food and Beverages. This legislation modernizes Maryland's municipal tax code, which has not seen substantial updates in decades, to reflect the significant changes in how our communities gather. The bill would authorize counties and municipalities to impose up to a 3% admissions and amusement tax on food and beverage sales at establishments with on-premises consumption facilities.

Prince George's County municipalities are experiencing unprecedented growth and development, spurred by development along the Blue and Purple Line corridors and throughout the county. These communities are seeing new mixed-use developments, entertainment venues, and dining establishments that combine food service with various forms of entertainment. Developments such as The Aster at College Park—a mixed-use community featuring the county's first Trader Joe's and 60,000 square feet of retail space, including dining establishments—and Carillon in Largo, which includes the University of Maryland Capital Regional Medical Center, a new state-of-the-art movie theater, and upscale restaurants, would benefit from the passage of this bill.

SB 324 Benefits

- **Revenue Flexibility:** The modest 3% maximum rate provides municipalities with a measured tool to generate revenue for essential services while remaining competitive with neighboring jurisdictions.
- **Economic Development Support:** This update helps municipalities better capture revenue from new entertainment-dining venues, supporting continued investment in public services and infrastructure.
- **Modernization:** The bill acknowledges the evolution of entertainment venues, where food and beverage service has become integral to the entertainment experience.

PGCMA strongly supports this legislation as it provides our municipalities with an additional tool to maintain and improve services, while supporting the continued growth and development of our communities. The nominal 3% rate strikes an appropriate balance between revenue generation and business competitiveness.

For those reasons, PGCMA respectfully requests the Committee's **support for SB324.**

Sincerely,

Celina Benitez
PGCMA President