



February 25, 2024

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

RE: Opposition SB0881 - Transportation - Regional Transportation Authorities

Chairman Guzzone 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 express MTC's opposition to Senate Bill 881 *Transportation - Regional Transportation Authorities*.

While we recognize the importance of improving regional transportation infrastructure, this legislation raises significant concerns for Maryland's vibrant tourism sector. The potential increase in hotel taxes as part of this legislation would place an additional financial burden on visitors. Elevated accommodation costs could discourage overnight stays, reducing visitor spending at local restaurants, entertainment venues, and attractions. This would be especially detrimental for smaller communities that depend on tourism dollars to sustain their economies and support local jobs.

While the bill identifies this as a surcharge, it is in fact a tax increase. The hotel tax has historically supported tourism marketing efforts and the local jurisdiction where the hotels are located. This surcharge would create a precedent in which the hotel tax was used for other purposes and opens the door for this to occur more frequently in the future. Tourism marketing funding from the State level has been flat for nearly a decade while Maryland is continually outspent by our neighboring states. Tourism is a highly competitive market, and we are losing ground from our lack of investment. The tourism industry opposes any new increases to the hotel tax that does not reinvest that new revenue into tourism marketing.

Second, the legislation risks creating a fragmented sales tax system, where inconsistent sales tax regions could confuse visitors and diminish their overall experience. A seamless and cohesive sales tax policy is essential for encouraging exploration across the state's diverse attractions—from the scenic Eastern Shore and historic Annapolis to Baltimore's vibrant Inner Harbor and the natural beauty of Western Maryland.

We urge you to reconsider advancing this legislation and instead explore solutions that enhance transportation infrastructure while supporting tourism growth and accessibility. Our industry is ready and willing to collaborate on initiatives that benefit all Maryland residents and visitors alike.



MARYLAND
TOURISM
COALITION

Thank you for your time and consideration and we ask for an unfavorable report on Senate Bill 881.

Respectfully submitted,

Matt Libber
Legislative Chair
Maryland Tourism Coalition