



Testimony of the Mayor and Council of Rockville
SB 324 – Admissions and Amusement Tax – Food and Beverages
SUPPORT

Good afternoon, Chair Guzzone and members of the Senate Budget and Taxation Committee. The Rockville Mayor and Council appreciate the opportunity to provide written comments on SB 324. We are thankful to Senator McCray for sponsoring this important legislation.

The Mayor and Council, in concert with the Maryland Municipal League (MML), strongly support SB 324. Maryland municipalities have few options for raising revenue to adequately cover the cost of service provision to our communities. SB 324 expands the ability of municipalities to raise resources beyond the property tax by expanding the Admissions and Amusement Tax to capture revenue from food and beverage for all on-site consumption, which includes restaurants. The bill provides enabling authority for local governments to charge up to 3% for on-site food and beverage purchases.

We support the provisions of SB 324, for the following reasons:

- It provides enabling authority for municipalities to increase revenues, which is critically important given inflationary pressures, contract cost increases, supply chain issues, and other factors making it more costly to provide services to our residents and businesses.
- The expanded revenue tool will bolster the ability of municipalities to make necessary investments in critical services provision, such as policing, street and sidewalk maintenance, parks maintenance, and recreational programming for youth, adults, and seniors.
- The bill will help to reduce pressures to adjust property tax rates in the long term.

SB 324 is a positive first step for Maryland municipalities to have revenue tools that generate resources needed to provide excellent services to our communities. According to a recent study completed by MML, Maryland's municipalities are a major engine of the State, with a total of over \$5.7 billion in economic output. The ability to raise revenue is critical for municipalities to continue this trend. For these reasons we urge the Committee to provide SB 324 with a favorable report. Thank You.