

Wes Moore, Governor
Aruna Miller, Lt. Governor
Josh Kurtz, Secretary
David Goshorn, Deputy Secretary

March 4, 2025

BILL NUMBER: SENATE BILL 638 – First Reader

SHORT TITLE: Department of Natural Resources - Savage River Lodge - Hotel Surcharge

DEPARTMENT'S POSITION: OPPOSE

EXPLANATION OF DEPARTMENT'S POSITION

The Department respectfully opposes SB 638. This bill requires the Department to collect an additional 8% tax on every visitor stay at the new Savage Highlands State Park. The new state park was borne of the Department's acquisition of the former Savage River Lodge property in Garrett County. It is a top priority for the Department that this new state park is affordable, and ultimately accessible to all Marylanders. The former private lodge averaged more than \$300 for a single night's stay. The Department intends to reduce that rate by approximately 50%. Despite the reduced rates, the Department anticipates this new state park will operate on a net positive basis year-over-year.

However, adding an additional 8% to each stay will not only be inconsistent with other similar DNR accommodations across the state, but also add approximately \$25 to each guest stay, ultimately reducing the affordability of the new facility and reducing access to many families who seek out reasonably priced opportunities to stay overnight in Maryland's parks. Reducing the average night stay to offset the cost to future guests will reduce total revenues returned to the Department, ultimately foreclosing the opportunity to run this new property at a net positive return.

BACKGROUND INFORMATION

The Department acquired the former Savage River Lodge Property in December 2024. The property will be renamed Savage Highlands State Park and will be reopened in 2025 as a welcome addition to the current portfolio of cabin and yurt accommodations available in Maryland state parks. The new park will feature 18 cabins and eight yurts that will host couples, families or small groups in extraordinarily comfortable lodging in a 40-acre park surrounded by hundreds of acres of adjacent state forest. Hiking, cross-country skiing, fishing, hunting, wildlife watching, and more will be available to guests and day-use visitors.

BILL EXPLANATION

SB 638 requires the Department to charge an additional 8% tax to the otherwise total cost of every guest stay at the new Savage Highlands State Park (former Savage River Lodge). The Department will not be authorized to retain any of the additional revenue. Six percent of the additional revenue generated will be returned to Garrett County to promote the County. The remaining 2% will be deposited to the County's general fund.

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