



GREENBELT CITY COUNCIL

Emmett V. Jordan, *Mayor*

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HB 997\SB 324 – Admissions and Amusement Tax – Food and Beverages SUPPORT

The City of Greenbelt supports HB 997\SB 324, which grants counties and municipalities the authority to impose an admissions and amusement tax on certain food and beverage sales. This legislation provides an important opportunity for Greenbelt to generate additional revenue to support essential city services, maintain infrastructure, and enhance community programs.

By enabling local jurisdictions to implement this tax, HB 997\SB 324 ensures that entertainment and hospitality establishments contribute equitably to the economic well-being of the communities they serve. For Greenbelt, this revenue stream would directly support public amenities, recreational facilities, and other critical city services, improving the quality of life for residents.

The City of Greenbelt urges the General Assembly to pass HB 997\SB 324 to strengthen municipal financial stability and ensure continued investment in community services. In support of HB 997\SB 324, the City of Greenbelt acknowledges the importance of allowing local jurisdictions to impose a modest admissions and amusement tax on food and beverage sales at venues with facilities for on-premises consumption. As municipalities continue to adapt to changing economic realities, this bill provides an essential tool for generating revenue, particularly in areas where entertainment and food services are a key part of the local economy. It allows local governments to align their tax policies with modern business practices and consumer behavior while maintaining a balanced approach to taxation.

The bill introduces reasonable safeguards to ensure that the imposition of such taxes does not become burdensome. The maximum tax rate of 3% on food and beverage sales strikes a fair balance between providing additional revenue to municipalities and protecting local businesses from excessive taxation. This provision ensures that jurisdictions have the flexibility to impose taxes based on their specific needs while preventing a financial strain on those operating in the entertainment and dining sectors. This is especially important as the local economy continues to recover from the impact of the pandemic, with many businesses still adjusting to new consumer patterns and financial constraints.

Moreover, HB 997\SB 324 ensures that the combined tax rate for both the admissions tax and the sales and use tax does not exceed 11%, offering a clear limitation on the total tax burden. This stipulation helps maintain the attractiveness of local venues and services while enabling municipalities to meet their fiscal needs. The clarity around the combined tax rate ensures that consumers are not unfairly impacted by rising costs, and businesses have a predictable environment in which to operate, fostering continued growth and investment.

The City of Greenbelt is particularly supportive of the provision that empowers local governments to capture revenue from food and beverage sales at entertainment venues. As entertainment increasingly involves a combination of dining and recreational activities, it is only fair that local jurisdictions have



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the ability to generate revenue from this increasingly popular sector. The flexibility offered by this bill will enable Greenbelt to enhance the services it provides to its residents, such as supporting local infrastructure, improving public safety, and funding educational programs. The new revenue generated can also be reinvested into the community, creating a positive cycle of economic development.

Additionally, this bill recognizes the diversity of local economies, particularly in cities like Greenbelt, where entertainment and food services play an integral role in supporting the local culture and businesses. By providing local governments with the ability to impose this modest tax, Greenbelt can ensure that all sectors of its economy contribute to the broader needs of the community. This equitable approach allows for more sustainable growth and ensures that the benefits of the local economy are shared by all.

The City of Greenbelt is confident that the provisions of HB 997\SB 324 will foster a healthy balance between the fiscal needs of local governments and the well-being of businesses and consumers. This bill offers a flexible, fair, and forward-thinking approach to local taxation, ensuring that Greenbelt, along with other municipalities, can continue to thrive in a competitive, modern economic landscape while maintaining the quality of life that residents and visitors value.

Ultimately, HB 997\SB 324 provides a well-reasoned, balanced solution that empowers local jurisdictions with the tools they need to address the changing economic landscape. The City of Greenbelt fully supports this legislation, as it promotes local economic growth while ensuring that businesses and consumers are not unduly burdened by taxation. We are confident that this bill will enhance Greenbelt's ability to serve its community and contribute to the state's broader economic success.

For questions or more information, please contact Josué Salmerón, City Manager, at jsalmeron@greenbeltmd.gov.