



Wes Moore | Governor
Aruna Miller | Lt. Governor
Kevin A. Anderson | Secretary of Commerce
Signe Pringle | Deputy Secretary of Commerce

DATE: January 18, 2024
BILL NO: Senate Bill 14
BILL TITLE: Economic Development - Tourism Zones - Designation and Benefits
COMMITTEE: Budget & Taxation
POSITION: Support

The Maryland Department of Commerce (Commerce) supports Senate Bill 14 - Economic Development - Tourism Zones - Designation and Benefits.

Bill Summary:

Senate Bill 14 grants the City of Baltimore or any municipality the authority to designate a Tourism Zone within the jurisdiction. The bill also allows the governing body of the jurisdiction in which a Tourism Zone is designated to exempt qualifying tourism enterprises from the Admissions and Amusement tax or certain local and municipal property taxes.

Background:

This legislation is modeled after Virginia’s successful program which allows any city, county, or town to establish one or more tourism zones through local ordinance. Virginia’s program was established through state legislation in 2006 and there are currently 75 zones in which local incentives may be offered to tourism businesses.

Rationale:

Tourism is one of the State’s top economic drivers, and for that reason Commerce, through the Maryland Office of Tourism, is focused on continuing to promote our great state as a travel destination to visitors both domestically and abroad. In calendar year 2022 Maryland was fortunate to welcome over 43 million visitors to the State, and their spending was over \$19 billion. This generated more than \$2.3 billion in state and local tax revenue, and supported more than 187,000 jobs. Investing in tourism brings a high return to our State, counties, and municipalities – visitors spend their money here and do not utilize many tax revenue supported services such as our school systems. The creation of Tourism Zones as allowed through Senate Bill 14 is another way to market the State’s top destinations, and the bill does so in a way that allows the municipalities themselves to determine the extent to which they are willing to forego revenue – setting their own priorities for areas to promote. Commerce is fully supportive of any initiatives aimed to increase tourism across our State, and Senate Bill 14 will add another useful tool to assist those efforts.

Commerce respectfully requests a favorable report on Senate Bill 14.