

Maryland Tourism Coalition

2024 Session Report

Session Prep:

In advance of the 2024 legislative session, one of the major story lines would be the impending budgetary deficits facing the Governor and General Assembly. The Legislature struggled to agree on the budget, but ultimately, a compromise was reached just a few days before Sine Die. Understanding these budgetary constraints, MTC was concerned that there could be some cuts to the tourism budget. MTC strategized that optimally we would maintain our budget instead of seeking an increase. Ultimately, we were successful in maintaining the commitment to the tourism budget (\$15.5 million). In addition to the win on the budget, MTC was able to defeat several bills that would have been detrimental to our industry and pass several bills that MTC supported. This report features a sample of the bills that MTC discussed throughout the session. The tracking sheet encompasses all of the bills MTC covered. This was a very successful session for the Maryland Tourism Coalition!

Priority Bill:

SB 360/HB 350 - Budget Bill (Fiscal Year 2025)

Sponsors: President, Speaker (By Request - Administration)

Status: Senate Bill Passed Enrolled

The Tourism budget allocated a total of \$15.5 million. Even with budgetary concerns that were well publicized, we were able to maintain this number. No cuts to the allocation towards tourism is viewed as a win for MTC.

Other Significant Bills:

HB 56/SB 60 (HB 840/SB 976)- Motor Home and Recreational Trailer Shows- Out-of-State Dealers

Sponsor: Hartman/Carozza

Status: Passed

There were two bills that dealt with recreational trailer shows. Originally, the bill applied only to Worcester County, but was later amended to have statewide implications. The bill allows out-of-state dealers of motor homes or recreational trailers to display/exhibit these homes/trailers at

vehicle shows. The second bill put a limit on dealers selling Class M motor homes or Class G trailers to 3 annual shows a year.

HB 467/ SB 160- Tipped Employees

Sponsor: Bofo/Ellis

Status: Failed

Although the two bills listed above were not cross-filed, they were essentially the same concept, with some differences. The main provision of each bill that concerned MTC was the removal of the tip credit. These bills would have required employers to pay their tipped employees the state minimum wage over a phased in amount of time. MTC was successful in its fight in conjunction with several other business coalitions to defeat these bills.

HB 1281/SB 14 – Economic Development – Tourism Zones – Designation and Benefits

Sponsors: Hartman/Jackson

Status: Passed

This bill sparked one of the larger discussions MTC endured during the session. The discussion even included the sponsor himself, Del. Hartman, and a member from MML, to urge MTC's support. As originally drafted, this bill authorized local municipalities to develop criteria to create "tourism zones," which would exempt admission and amusement taxes. The issues surrounding MTC's discussions were whether we wanted this to also apply to counties and whether the tax decrease would take money away from the tourism budget. The money would not be taken from tourism, thus, MTC ultimately decided to support the bill with an amendment to include counties. The bill passed with MTC's suggested amendment.

HB 1319/SB 565 – iGaming

Sponsors: Atterbeary/Watson

Status: Failed

One of the more controversial bills in the 2024 session was the creation and implementation of internet gaming, or "iGaming," which is essentially an online casino. The bill in the House was sponsored by the chair of the House Ways and Means committee and was included in the House's original proposal to balance the budget. However, the Senate Budget and Tax committee did not want to pass iGaming and thus the bill ultimately failed. This led to some of the budgetary issues discussed earlier.

HB 1515 – Sales and Use Tax – Rate Reduction and Services

Sponsor: Moon

Status: Failed

This is another one of the House's proposals to balance the budget which would have impacted many industries in the state, including MTC. This bill would have taxed services throughout the state. MTC was one of the many industries that opposed this legislation, and this bill was ultimately defeated.

HB 186/SB 95 – Eastern Shore Code Counties – Maximum Hotel Rental Tax Rate – Alteration

Sponsors: Hartman/Carozza

Status: Passed

This is the second year in a row this bill was brought. Unlike last year's drama, this bill passed smoothly this session. This bill authorizes an Eastern Shore Code County to raise the hotel tax up to 6%. Although this is an increase in the tax, in addition to MTC, this bill was supported by Worcester County Commissioners and the Town of Ocean City. As the hotel tax is tied to tourism, this increase will benefit tourism tremendously.

HB 1306 – Admissions and Amusement Tax – Food and Beverages

Sponsor: Fair

Status: Failed

This piece of legislation would have given counties the ability to include food and beverages as part of the admissions and amusement tax. Clearly this bill would have been an enormous tax on MTC members. Because this bill was so bad, it would have been voted down in the Ways and Means committee. Therefore, the sponsor withdrew the bill.

Conclusion:

Overall, we had a great legislative session. We tracked numerous bills and were successful on many of them. With future projected budget constraints and iGaming looming, we will have our work cut out next year.