



**CALVERT COUNTY
BOARD OF COUNTY COMMISSIONERS**

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Board of Commissioners

Christopher J. Gadway
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Mike Hart
Kelly D. McConkey
Steven R. Weems

March 29, 2022

VIA ELECTRONIC MAIL

The Honorable Senator Guy Guzzone, Chair
Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, Maryland 21401

Re: HB842 – Calvert County - Hotel Rental Tax - Distribution of Revenue

Senator Guzzone:

We write to express our support for HB842, legislation we requested of our Delegation and Senators, and is also supported by the Maryland Tourism Coalition. Calvert County has current authorization to levy a hotel rental tax of 5 percent of revenues. Current State law prescribes that the proceeds of this tax go directly into the County's General Fund. HB842, instead, authorizes the County Commissioners to create a tourism grant fund directly supported by the revenue generated from the existing hotel rental tax. That fund would be used to offset local special event fees and for marketing Calvert County to potential visitors. We offer the following considerations that led to the creation of a special event fee and, then, this request to allow the hotel rental tax as a direct funding source to offset the potentially chilling effect of that fee.

Marketing Calvert County to potential visitors is an important economic driver because the travel and tourism sector remains an integral part of Calvert County's economy. Special events are viewed in the tourism industry as a key travel product because they are organized to create added value for a destination. In addition, special events create a positive image of a destination and create a reason for visitors to come and spend money in a local jurisdiction, which helps bring prosperity to the local economy. However, County taxpayers were often overburdened with the cost of providing public services for special events. The County adopted a Special Events Fee to offset taxpayer contributions. Fees for special events anticipating more than 1,000 attendees can be tens of thousands of dollars, which, admittedly, can be difficult for some event organizers to incur on top of regular event planning costs. It is anticipated that a dedicated tourism grant, funded by the existing tax on the direct benefactors of travel and tourism as requested by HB842, would result in special event fees being less burdensome on both event planners and the taxpayers of Calvert County.

Should you have any questions or require further information, please do not hesitate to contact County Administrator Julian M. Willis at 410-535-1600 extension 2202 or Economic Development Director Julie Oberg at 410-535-1600 extension 2485. Thank you for your consideration of our position regarding this important bill.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
CALVERT COUNTY, MARYLAND

Handwritten signature of Earl F. Hance in blue ink.

Earl F. Hance, President

Handwritten signature of Steven R. Weems in blue ink.

Steven R. Weems, Vice President

Handwritten signature of Christopher J. Gadway in blue ink.

Christopher J. Gadway

Handwritten signature of Mike Hart in blue ink.

Mike Hart

Handwritten signature of Kelly D. McConkey in blue ink.

Kelly D. McConkey

cc: Calvert County Senators and Calvert County Delegation