PRINCE GEORGE'S COUNTY COUNCIL AGENDA ITEM SUMMARY

Meeting Date: 3/14/2000 Reference No.: CB-5-2000

Proposer: County Executive **Draft No.:** 2

Sponsors: Wilson, Bailey

Item Title: An Act repealing the requirement that a portion of the

County's revenue from the imposition of the hotel and motel tax be reserved for appropriation to the Prince

George's Conference and Visitors Bureau

Drafter: Barbara L. Holtz **Resource** Stanley A. Earley

Office of Law **Personnel:** OMB

LEGISLATIVE HISTORY:

Date Presented: 2/1/2000 **Executive Action:** 3/31/2000 S

Committee Referral: 2/1/2000 PSFM Effective Date: 5/16/2000

Committee Action: 2/3/2000 FAV(A)

Date Introduced: 2/15/2000

Public Hearing: 3/14/2000 1:30 P.M.

Council Action: 3/14/2000 ENACTED

Council Votes: DB:-, JE:A, IG:A, TH:A, WM:A, RVR:A, AS:A, PS:A, MW:-

Pass/Fail: P

Remarks: Provisions shall be effective July 1, 2000

PUBLIC SAFETY AND FISCAL MANAGEMENT COMMITTEE REPORT Date: 2/3/00

Committee Vote: Favorable as amended, 5-0, (In favor: Council Members Wilson, Estepp, Maloney, Russell and Scott).

This bill will repeal the requirement that a portion of the County's revenue from the hotel and motel tax be reserved for appropriation to the Prince George's Conference and Visitors Bureau. CB-17-1993 required that twenty percent (20%) hotel and motel tax be reserved for the Prince George's Conference and Visitors Bureau to be used to promote travel to the County.

In FY2000, the total budgeted revenues for the hotel-motel tax is \$3.9 million and the budgeted allocation for the Conference and Visitors Bureau is \$390,000. This legislation does not alter the

tax rate which is 5%; therefore, the level of revenue generated by the tax does not change. The County Executive stated that although the promotion of tourism remains a priority, this legislation is an effort to generate flexibility for use of anticipated County revenues. The Prince George's Conference and Visitors Bureau serves a vital role and will continue to be fully funded.

The Director of the Office of Management and Budget stated that this legislation is connected to the County's support of the National Harbor Project. The legislation is necessary to allow hotel and motel tax revenues from National Harbor to be used to back revenue bonds for the National Harbor project.

The Director stated that the dedication of hotel and motel tax revenues will be a part of a package of dedicated revenue (admissions and amusement taxes, property taxes, and parking revenues) to support the issuance and repayment of revenue bonds associated with public improvements for the National Harbor project.

The Maryland Tourism Council submitted a letter requesting that the committee consider carefully before voting to dismantle a predictable source of tourism marketing funding for the Conference and Visitors Bureau.

The Legislative Officer and the Office of Law reviewed the legislation and find it to be in proper legislative form.

The legislation was amended on page 1, line 19, by including a provision that the Conference and Visitors Bureau continue to be funded at the FY2000 level of \$390,000.

There will be no negative fiscal impact on the County as a result of enacting CB-5-2000.

BACKGROUND INFORMATION/FISCAL IMPACT

(Includes reason for proposal, as well as any unique statutory requirements)

This legislation will repeal the requirement that a portion of the County's revenue from the imposition of the hotel and motel tax be reserved for appropriation to the Prince George's Conference and Visitors Bureau.

CODE INDEX TOPICS: