



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations

September 28, 2016

### MEMORANDUM

TO: Robert J. Williams, Jr.  
Council Administrator

William M. Hunt  
Deputy Council Administrator

THRU: David H. Van Dyke *DHVD*  
County Auditor

FROM: Inez N. Claggett *INC*  
Senior Legislative Auditor

RE: Fiscal Impact Statement  
CB-77-2016 Hotel and Motel Tax

Pursuant to your request, we have reviewed CB-77-2016 to estimate its fiscal impact on Prince George's County, Maryland.

CB-77-2016 seeks to designate 5% of the revenue from the hotel and motel tax levy to the Prince George's Conference and Visitors Bureau to be used for promotion of travel and economic investment within the County.

According to revenue estimates provided within the FY 2017 Approved Operating Budget, net hotel and motel tax collections are estimated at \$9,600,200. This estimate does not include revenue estimates for the Special Taxing Districts for the hotels located within the Peterson National Harbor District, and the Gaylord National Resort and Convention Center. Hotel and motel taxes collected within these areas are dedicated for debt service obligations on bonds issued for National Harbor.

Using the FY 2017 estimated net hotel and motel tax collections as a base for FY 2018, the County would yield \$480,010 (5% of the \$9,600,200 in net hotel motel tax collections) for the Conference and Visitors Bureau (CVB) should CB-77-2016 be enacted. CVB's current FY 2017 approved budget is \$903,200, an increase of \$19,300, or 2.2%, over the FY 2016 approved budget. For FY 2017, the County Council has approved an appropriation of \$743,200 in County grant funds to CVB, with the remaining source of funding being made up of cooperative marketing and promotions revenue, a grant from the State of Maryland, and membership dues/sponsorships/fundraising revenue.

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Robert J. Williams, Jr.

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Enactment of CB-77-2016 should not have an adverse fiscal impact on the County as the proposed Bill simply designates a portion of collected County revenue. However, it should be noted that designation of a portion of County hotel and motel revenue collections to the CVB would decrease the amount of revenues the County has available for other purposes, if the designation is intended to increase the CVB's current level of County funding.

If you require additional information, or have questions about this fiscal impact statement, please call me.