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April 16, 2010

TO: President Young and Members of the Baltimore City Council
FR: Visit Baltimore
RE: City of Baltimore Council Bill 10-0467
Ordinance: Hotel Room Tax - Rate

Visit Baltimore
Response to the Above-Referenced Bill:

Visit Baltimore has been asked to comment on City Council Bill 10-0467, an ordinance concerning the Hotel Room Tax - Rate FOR the purpose of modifying the rate of the hotel room tax; correcting, clarifying and conforming related language; providing for a special effective date; and generally relating to the imposition and collection of the hotel room tax.

Visit Baltimore's budget is underfunded and an increase in the hotel tax would generate additional revenue for sales and for marketing the destination. Visit Baltimore is facing serious funding challenges that threaten our ability to remain competitive. We are at the tipping point and more marketing funds are needed, not less, to continue the success that has been achieved over the past 2 ½ years. In FY 2009, Visit Baltimore booked more than 522,000 future room nights, an all-time record and a 16 percent increase over FY 2008. We cannot lose that momentum, especially when we are facing stiff competition from cities both regionally and nationally with much larger budgets.

It is important to the success of Baltimore's \$3 billion tourism industry that we have a sustainable funding mechanism to support our efforts. While the exact increment of the hotel tax increase will be debated, and, ultimately, determined by the City Council, Visit Baltimore supports an increase but will not support any increase above 2.5 percent. That would put Baltimore at a great competitive disadvantage.

Sincerely,

Tom Noonan
President & CEO
Visit Baltimore

