

Frederick County Hotel Tax Rate Proposal

Maryland Lodging Tax Comparison

Allegany County	8%
Anne Arundel County	7%
Baltimore City	9.5%
Baltimore County	8%
Calvert County	5%
Caroline County	5%
Carroll County	5%
Cecil County	3%
Charles County	5%
Dorchester County	5%
Garrett County	6%
Harford County	6%
Howard County	7%
Frederick County	3%
Kent County	5%
Montgomery County	7%
Prince George's County	7%-12%
Queen Anne's County	5%
Somerset County	5%
St. Mary's County	5%
Talbot County	4%
Washington County	6%
Wicomico County, MD	6%
Worcester County, MD	4.5%

Key Facts:

- Maryland's Lodging Tax average is 6%
- 80% of the hotel rooms in Maryland are currently taxed at a rate higher than 5%
- Even after raising the hotel rental tax rate from 3%-5%, 80% will still be taxed at a higher rate than Frederick County
- In the last 12 months, 552,817 room nights were utilized in Frederick County hotels
- Taxes collected from other hotels will not be paying for the Downtown Frederick Hotel & Conference Center, only the tax increase collected from the Downtown Frederick Hotel & Conference Center will be used to pay down the public portion of that facility



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Funding Information

Annual hotel room rental revenue	\$46,459,167
Hotel tax collections at 3% (12 months)	\$1,393,775
Collection per 1 percentage point of tax rate	\$464,592
Revenue at hypothetical 5% tax rate	\$2,322,958
County Admin. Fee	-\$35,100
Net of County Admin Fee	\$2,285,791
Visitor Center set aside (10%)	-\$228,579
NET AVAILABLE FOR PROGRAMS	\$2,057,212
12.5% of NAP for Main Streets	\$257,151
12.5% of NAP for expanded TRIPP	\$257,151
12.5% of NAP for Destination Development	\$257,151
62.5% for Visit Frederick marketing & ops	\$1,285,757



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Countywide Benefits

- Supported by: Frederick County Maryland Municipal League (MML), Frederick County Chamber of Commerce, Tourism Council of Frederick County, Downtown Frederick Partnership and City & County Economic Development offices

Revenues from the Frederick County Hotel Revenue Tax (HRT) support the following areas:

- County's cost of collecting taxes (about 3%)
- Visitor Center fund (10%)
- Main Streets marketing program
- Expand non-profits that promote tourism through Tourism Reinvestment in Promotion and Product (TRIPP) (12.5%)
- Destination economic development (12.5%)
- Frederick County hotel development initiative program – up to 70% of the HRT collected from a facility in the program for servicing public improvement construction debt capital expenditures required for the project for up to 25

Other Benefits:

- The hotel tax increase will have positive revenue implications countywide, including Brunswick, Middletown, Thurmont, Frederick and possible Main Street Affiliates.
- TRIPP has awarded over \$2M to local non-profits attractions and event organizers to support their efforts to attract visitors to Frederick County



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Group Overnight Incentive Program

- This component of the TRIPP program provides a cash incentive for organizations that generate a quantity of overnight hotel stays in Frederick County during FY17.
- **Eligibility** – Eligibility for the incentive program is the same as for other elements of the TRIPP program.
- **Minimum number of rooms** – At least ten hotel room nights at one property must be sold as the result of the applicant's event or attraction
- **Amount of incentive** – \$10 per room night.
- **Maximum amount of incentive** – The maximum cash payment that will be made to a single organization is \$4,000 in a single calendar month, beginning with July 2017.



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