
By: **Allegany County Delegation**
Introduced and read first time: February 6, 2003
Assigned to: Ways and Means

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 11, 2003

CHAPTER 42

1 AN ACT concerning

2 **Western Maryland Code Counties - Hotel Rental Tax**

3 FOR the purpose of authorizing a code county in the Western Maryland class to set a
4 hotel rental tax rate at a certain amount with the unanimous consent of the
5 county commissioners for the county; requiring that certain revenue
6 attributable to the hotel rental tax be distributed to the general fund of the code
7 county in the Western Maryland class instead of to certain municipal
8 corporations under certain circumstances; requiring a code county in the
9 Western Maryland class to prepare a certain annual report; requiring a code
10 county in the Western Maryland class to publish the annual report in a certain
11 newspaper of general circulation and post the annual report on a certain
12 website; requiring a code county in the Western Maryland class to include
13 certain information in the annual report; requiring a code county in the Western
14 Maryland class to provide a copy of certain audits relating to the hotel rental tax
15 to the county Senate and House Delegations of the General Assembly; and
16 generally relating to the hotel rental tax in a code county in the Western
17 Maryland class.

18 BY repealing and reenacting, with amendments,
19 Article 24 - Political Subdivisions - Miscellaneous Provisions
20 Section 9-304
21 Annotated Code of Maryland
22 (2001 Replacement Volume and 2002 Supplement)

23 BY repealing and reenacting, without amendments,
24 Article 24 - Political Subdivisions - Miscellaneous Provisions
25 Section 9-318(a)

1 Annotated Code of Maryland
2 (2001 Replacement Volume and 2002 Supplement)

3 BY adding to
4 Article 24 - Political Subdivisions - Miscellaneous Provisions
5 Section 9-318(b)(7) and 9-319
6 Annotated Code of Maryland
7 (2001 Replacement Volume and 2002 Supplement)

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
9 MARYLAND, That the Laws of Maryland read as follows:

10 **Article 24 - Political Subdivisions - Miscellaneous Provisions**

11 9-304.

12 (a) Subject to the limitations in subsections (b) and (c) of this section, the hotel
13 rental tax rate is the rate that the authorized county sets by resolution.

14 (b) An authorized county may not set a hotel rental tax rate that exceeds:

- 15 (1) 3% in a code county;
- 16 (2) 5% in Calvert County;
- 17 (3) 3% in Cecil County;
- 18 (4) 5% in Charles County;
- 19 (5) 5% in Dorchester County;
- 20 (6) 5% in Garrett County;
- 21 (7) 5% in St. Mary's County;
- 22 (8) 3% in Somerset County;
- 23 (9) 3% in Talbot County; and
- 24 (10) 5% in Wicomico County.

25 (c) (1) Notwithstanding subsection (b)(1) of this section, a code county,
26 OTHER THAN A CODE COUNTY IN THE WESTERN MARYLAND CLASS, may set a hotel
27 rental tax rate that is greater than 3%, but not exceeding 5%, with the unanimous
28 consent of the county commissioners for the county.

29 (2) NOTWITHSTANDING SUBSECTION (B)(1), A CODE COUNTY IN THE
30 WESTERN MARYLAND CLASS MAY SET A HOTEL RENTAL TAX RATE THAT IS GREATER
31 THAN 3%, BUT NOT EXCEEDING 8%, WITH THE UNANIMOUS CONSENT OF THE
32 COUNTY COMMISSIONERS FOR THE COUNTY.

1 (d) The hotel rental tax rate in Washington County is 6%.

2 9-318.

3 (a) Except for Talbot County, Washington County, and Dorchester County, an
4 authorized county shall distribute the hotel rental tax revenue as follows:

5 (1) From the total revenue, a reasonable sum for hotel rental tax
6 administrative costs to the general fund of the county;

7 (2) In a code county and Calvert, Cecil, Garrett, and St. Mary's counties,
8 after the distribution in item (1) of this subsection, the revenue attributable to a hotel
9 located in a municipal corporation to the municipal corporation; and

10 (3) The remaining balance to the general fund of the county.

11 (b) (7) NOTWITHSTANDING SUBSECTION (A)(2) OF THIS SECTION, IF A CODE
12 COUNTY IN THE WESTERN MARYLAND CLASS IMPOSES A TAX RATE GREATER THAN
13 5%, THE REVENUE ATTRIBUTABLE TO THE RATE GREATER THAN 5% AND
14 ATTRIBUTABLE TO A HOTEL LOCATED IN A MUNICIPAL CORPORATION SHALL BE
15 DISTRIBUTED TO THE GENERAL FUND OF THE COUNTY INSTEAD OF TO THE
16 MUNICIPAL CORPORATION.

17 9-319.

18 (A) (1) ~~AT LEAST ONCE IN A CALENDAR~~ NO LATER THAN OCTOBER 1ST OF
19 EACH YEAR, A CODE COUNTY IN THE WESTERN MARYLAND CLASS SHALL PREPARE A
20 REPORT ON THE HOTEL RENTAL TAX FOR PUBLIC DISTRIBUTION.

21 (2) THE REPORT SHALL BE PUBLISHED IN A NEWSPAPER OF GENERAL
22 CIRCULATION IN THE COUNTY AND POSTED ON THE COUNTY'S INTERNET WEBSITE.

23 (3) THE REPORT SHALL INCLUDE:

24 (I) THE AMOUNT OF REVENUE THE COUNTY COLLECTED FROM
25 THE HOTEL RENTAL TAX IN THE PREVIOUS FISCAL YEAR;

26 (II) AN ITEMIZED STATEMENT OF THE USE OF HOTEL RENTAL TAX
27 REVENUE; AND

28 (III) THE NAME AND SALARY OF EACH ~~EMPLOYEE OF POSITION~~
29 WITHIN THE COUNTY AGENCY THAT ADMINISTERS THE HOTEL RENTAL TAX.

30 (B) A CODE COUNTY IN THE WESTERN MARYLAND CLASS SHALL PROVIDE A
31 COPY OF ANY AUDITS PERFORMED ANNUALLY RELATING TO THE HOTEL RENTAL
32 TAX TO THE COUNTY SENATE AND HOUSE DELEGATIONS OF THE GENERAL
33 ASSEMBLY.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 July 1, 2003.

