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By: **Dorchester County Delegation**

Introduced and read first time: January 28, 1999

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Dorchester County Hotel Rental Tax**

3 FOR the purpose of altering the maximum tax rate that Dorchester County may set  
4 for the hotel rental tax; requiring Dorchester County to distribute certain hotel  
5 rental tax revenue attributable to a hotel located in a municipal corporation to  
6 the municipal corporation; and generally relating to authorization for  
7 Dorchester County to impose a hotel rental tax on certain hotel charges in the  
8 county.

9 BY repealing and reenacting, with amendments,  
10 Article 24 - Political Subdivisions - Miscellaneous Provisions  
11 Section 9-304(b) and 9-318  
12 Annotated Code of Maryland  
13 (1998 Replacement Volume and 1998 Supplement)

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

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

17 9-304.

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

- 19 (1) 3% in a code county;  
20 (2) 5% in Calvert County;  
21 (3) 3% in Cecil County;  
22 (4) 5% in Charles County;  
23 (5) [4%] 5% in Dorchester County;  
24 (6) 5% in Garrett County;

- 1 (7) 3% in Harford County;
- 2 (8) 5% in St. Mary's County;
- 3 (9) 3% in Somerset County;
- 4 (10) 3% in Talbot County;
- 5 (11) 3% in Washington County; and
- 6 (12) 5% in Wicomico County.

7 9-318.

8 (a) Except for Talbot County, Harford County, [and] Washington County, AND  
9 DORCHESTER COUNTY, an authorized county shall distribute the hotel rental tax  
10 revenue as follows:

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

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

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

17 (b) (1) Cecil County may not deduct more than 5% of the revenue for  
18 administrative costs under subsection (a)(1) of this section.

19 (2) Garrett County shall designate a part of the balance under  
20 subsection (a)(3) of this section for the promotion of the County.

21 (3) (i) Wicomico County may not deduct more than 5% of the revenue  
22 for administrative costs under subsection (a)(1) of this section.

23 (ii) If Wicomico County authorizes a hotel rental tax rate of 5%, the  
24 county shall distribute:

25 1. 20% of the revenue to the Salisbury Zoological Park; and

26 2. 20% of the revenue to the Tourism Center for Wicomico  
27 County to be used for its operation and maintenance.

28 (iii) Wicomico County shall deposit all remaining revenues, after the  
29 distributions under subsection (a)(1) of this section and subparagraphs (ii) and (iii) of  
30 this paragraph in the general funds of Wicomico County to underwrite the Wicomico  
31 County Convention and Visitors Bureau.

32 (4) Washington County:

1 (i) May not deduct more than 5% of the revenue for administrative  
2 costs under subsection (a)(1) of this section; and

3 (ii) Shall deposit all remaining revenues, after the distribution  
4 under subsection (a)(1) of this section, in the general funds of Washington County to  
5 underwrite the Washington County tourism budget and, when established, the  
6 Washington County Convention Bureau.

7 (5) Harford County:

8 (i) May distribute to the general fund of the county not more than  
9 5% of the revenue for administrative costs;

10 (ii) After the distribution under item (i) of this paragraph, shall  
11 distribute 20% of the revenues collected in a municipal corporation located in Harford  
12 County to that municipal corporation for use on tourism or tourism-related projects;  
13 and

14 (iii) Shall distribute all remaining revenues after the distributions  
15 under items (i) and (ii) of this paragraph to the Harford County Tourism Council.

16 (6) DORCHESTER COUNTY SHALL DISTRIBUTE:

17 (I) 80% OF THE REVENUES ATTRIBUTABLE TO A HOTEL LOCATED  
18 IN A MUNICIPAL CORPORATION TO THAT MUNICIPAL CORPORATION; AND

19 (II) THE REMAINING REVENUES TO THE GENERAL FUND OF THE  
20 COUNTY.

21 (c) An authorized county shall make the distributions required under this  
22 section between the 15th day and the 30th day of each calendar month.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 July 1, 1999.