

HOUSE BILL 153

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Q8

1999 Regular Session
9lr0489

By: **Dorchester County Delegation**
Introduced and read first time: January 28, 1999
Assigned to: Ways and Means

Committee Report: Favorable
House action: Adopted
Read second time: February 23, 1999

CHAPTER _____

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;

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

11 9-318.

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

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

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

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

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

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

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

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

29 1. 20% of the revenue to the Salisbury Zoological Park; and

30 2. 20% of the revenue to the Tourism Center for Wicomico
31 County to be used for its operation and maintenance.

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

5 (4) Washington County:

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

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

12 (5) Harford County:

13 (i) May distribute to the general fund of the county not more than
14 5% of the revenue for administrative costs;

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

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

21 (6) DORCHESTER COUNTY SHALL DISTRIBUTE:

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

24 (II) THE REMAINING REVENUES TO THE GENERAL FUND OF THE
25 COUNTY.

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

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

