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By: **Frederick County Delegation**

Introduced and read first time: February 10, 2000

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Frederick County - Hotel Rental Tax**

3 FOR the purpose of authorizing Frederick County to impose a hotel rental tax at not  
4 more than a certain rate; requiring a hotel in Frederick County to take certain  
5 actions relating to administration of the hotel rental tax; requiring that certain  
6 revenues be used for certain purposes in Frederick County; defining a certain  
7 term; and generally relating to authority for Frederick County to impose a hotel  
8 rental tax.

9 BY repealing and reenacting, with amendments,  
10 Article 24 - Political Subdivisions - Miscellaneous Provisions  
11 Section 9-301(b) and (f), 9-304(b), 9-310(a), and 9-318  
12 Annotated Code of Maryland  
13 (1998 Replacement Volume and 1999 Supplement)

14 BY repealing and reenacting, without amendments,  
15 Article 24 - Political Subdivisions - Miscellaneous Provisions  
16 Section 9-304(a)  
17 Annotated Code of Maryland  
18 (1998 Replacement Volume and 1999 Supplement)

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

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

22 9-301.

23 (b) "Authorized county" means:

24 (1) A code county;

25 (2) Calvert County;

26 (3) Cecil County;

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

10 (f) (1) Except as provided in paragraph (2) of this subsection, "transient  
11 charge" means a hotel charge for sleeping accommodations for a period not exceeding  
12 4 consecutive months.

13 (2) In FREDERICK COUNTY AND Washington County, "transient charge"  
14 means a hotel charge for sleeping accommodations for a period not exceeding 30 days.

15 (3) "Transient charge" does not include any hotel charge for services or  
16 for accommodations other than sleeping accommodations.

17 9-304.

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

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

- 21 (1) 3% in a code county;
- 22 (2) 5% in Calvert County;
- 23 (3) 3% in Cecil County;
- 24 (4) 5% in Charles County;
- 25 (5) 5% in Dorchester County;
- 26 (6) 5% IN FREDERICK COUNTY;
- 27 [(6)] (7) 5% in Garrett County;
- 28 [(7)] (8) 5% in St. Mary's County;
- 29 [(8)] (9) 3% in Somerset County;

- 1            [(9)]    (10)    3% in Talbot County;  
2            [(10)]   (11)    3% in Washington County; and  
3            [(11)]   (12)    5% in Wicomico County.

4 9-310.

5        (a)        A hotel shall complete, sign, and file a hotel rental tax return with:

- 6            (1)        A code county, on or before the 10th day of each month;  
7            (2)        Calvert County, on or before the 21st day of each month;  
8            (3)        Cecil County, on or before the 10th day of each month;  
9            (4)        Charles County, on or before the 21st day of each month;  
10          (5)        Dorchester County, on or before the 21st day of each month;  
11          (6)        **FREDERICK COUNTY, ON OR BEFORE THE 21ST DAY OF EACH MONTH;**  
12          [(6)]    (7)        Garrett County, on or before the 21st day of each month;  
13          [(7)]    (8)        St. Mary's County, on or before the 21st day of each month;  
14          [(8)]    (9)        Somerset County, on or before the 21st day of each month;  
15          [(9)]    (10)     Talbot County, on or before the 20th day of each month;  
16          [(10)]   (11)     Washington County, on or before the 25th day of each month;  
17 and  
18          [(11)]   (12)     Wicomico County, on or before the 20th day of each month.

19 9-318.

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

- 22            (1)        From the total revenue, a reasonable sum for hotel rental tax  
23 administrative costs to the general fund of the county;  
24            (2)        In a code county and Calvert, Cecil, Garrett, and St. Mary's Counties,  
25 after the distribution in item (1) of this subsection, the revenue attributable to a hotel  
26 located in a municipal corporation to the municipal corporation; and  
27            (3)        The remaining balance to the general fund of the county.

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

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

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

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

7                           1.     20% of the revenue to the Salisbury Zoological Park; and

8                           2.     20% of the revenue to the Tourism Center for Wicomico  
9 County to be used for its operation and maintenance.

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

14           (4)     Washington County:

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

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

21           (5)     FREDERICK COUNTY:

22                   (I)     MAY NOT DEDUCT MORE THAN 5% OF THE REVENUE FOR  
23 ADMINISTRATIVE COSTS UNDER SUBSECTION (A)(1) OF THIS SECTION; AND

24                   (II)    SHALL DEPOSIT ALL REMAINING REVENUES IN THE GENERAL  
25 FUNDS OF FREDERICK COUNTY TO UNDERWRITE THE FREDERICK COUNTY TOURISM  
26 BUDGET.

27           (6)     Dorchester County shall distribute:

28                   (i)     80% of the revenues attributable to a hotel located in a  
29 municipal corporation to that municipal corporation; and

30                   (ii)    The remaining revenues to the general fund of the County.

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

33     SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
34 July 1, 2000.