
By: **Washington County Delegation**

Introduced and read first time: February 22, 2005

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Washington County - Hotel Rental Tax Revenue - Distribution**

3 FOR the purpose of altering the distribution of total hotel rental tax revenue collected
4 in Washington County; and generally relating to the distribution of hotel rental
5 tax revenue in Washington County.

6 BY repealing and reenacting, with amendments,
7 Article 24 - Political Subdivisions - Miscellaneous Provisions
8 Section 9-318(b)
9 Annotated Code of Maryland
10 (2001 Replacement Volume and 2004 Supplement)

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

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

14 9-318.

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

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

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

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

23 1. 20% of the revenue to the Salisbury Zoological Park; and

24 2. 20% of the revenue to the Tourism Center for Wicomico
25 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) (i) For purposes of this paragraph, actual administrative costs
6 mean costs incurred for wages, postage, and supplies.

7 (ii) Washington County:

8 1. Shall distribute [45%] 50% of the total hotel rental tax
9 revenue collected in the county to the general fund of Washington County to be used
10 to fund the Hagerstown/Washington County Convention and Visitors Bureau; and

11 2. Shall distribute the remaining balance after the
12 distribution under item 1 of this subparagraph to a special fund, to be used only to
13 cover actual administrative costs and legal fees incurred in administering the hotel
14 rental tax, develop tourism attractions, enhance economic development, and support
15 cultural and recreational projects in Washington County.

16 (iii) A municipal corporation in Washington County may apply to
17 the Board of County Commissioners of Washington County for funding from the
18 special fund established under subparagraph (ii)2 of this paragraph for an eligible
19 project within the municipal corporation.

20 (iv) Each year before adoption of its annual budget, the
21 Hagerstown/Washington County Convention and Visitors Bureau shall hold a public
22 hearing on the proposed annual budget.

23 (v) On or before September 1 of each year beginning in 2001:

24 1. The Board of County Commissioners of Washington
25 County shall report to the Washington County Senate and House Delegations of the
26 General Assembly on the hotel rental tax revenue collected and the use of the hotel
27 rental tax revenue for the preceding fiscal year; and

28 2. The Hagerstown/Washington County Convention and
29 Visitors Bureau shall report to the Washington County Senate and House Delegations
30 of the General Assembly on its use of the hotel rental tax revenue for the preceding
31 fiscal year.

32 (5) (i) Frederick County shall distribute the hotel rental tax revenue
33 as follows:

34 1. From the total revenue, a reasonable sum for hotel rental
35 tax administrative costs to the general fund of the county; and

36 2. The remaining balance to the Tourism Council of
37 Frederick County, Inc., with a portion of the balance designated by the County
38 Commissioners to be used for a visitor center.

1 (ii) The internal auditor of the county shall conduct an audit of the
2 financial records of the Tourism Council and report the findings to the County
3 Commissioners.

4 (6) Dorchester County shall distribute:

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

7 (ii) The remaining revenues to the general fund of the county.

8 (7) Notwithstanding subsection (a)(2) of this section, if a code county in
9 the Western Maryland class imposes a tax rate greater than 5%, the revenue
10 attributable to the rate greater than 5% and attributable to a hotel located in a
11 municipal corporation shall be distributed to the general fund of the county instead of
12 to the municipal corporation.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 July 1, 2005.