
By: Washington County Delegation

Introduced and read first time: February 22, 2005

Assigned to: Rules and Executive Nominations

Re-referred to: Ways and Means, March 3, 2005

Committee Report: Favorable

House action: Adopted

Read second time: April 1, 2005

CHAPTER _____

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.

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

- 3 1. 20% of the revenue to the Salisbury Zoological Park; and
- 4 2. 20% of the revenue to the Tourism Center for Wicomico
5 County to be used for its operation and maintenance.

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

10 (4) (i) For purposes of this paragraph, actual administrative costs
11 mean costs incurred for wages, postage, and supplies.

12 (ii) Washington County:

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

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

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

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

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

29 1. The Board of County Commissioners of Washington
30 County shall report to the Washington County Senate and House Delegations of the
31 General Assembly on the hotel rental tax revenue collected and the use of the hotel
32 rental tax revenue for the preceding fiscal year; and

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

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

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

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

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

11 (6) Dorchester County shall distribute:

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

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

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

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