

# HOUSE BILL 518

Q7

71r1204  
CF SB 402

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By: **Delegates Barve, Riley, Ali, Gilchrist, N. King, and Simmons**

Introduced and read first time: February 7, 2007

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2007

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Municipal Corporations – Hotel Rental Tax**

3 FOR the purpose of authorizing a municipal corporation to impose a tax on  
4 certain charges for sleeping accommodations paid to hotels in the municipal  
5 corporation, subject to certain limitations; authorizing a municipal corporation  
6 to set the rate of the tax, subject to a certain limitation; authorizing a municipal  
7 corporation to provide for the administration and collection of the tax, to provide  
8 for additional exemptions from the tax, and to impose penalties for failure to  
9 collect, report, or pay the tax; ~~providing that certain room tax sharing~~  
10 ~~arrangements between a municipal corporation and a county are null and void if~~  
11 ~~the municipal corporation imposes a hotel rental tax~~; authorizing a county that  
12 has the authority to impose a hotel rental tax to impose a lower tax rate for  
13 hotels within a municipal corporation that imposes a hotel rental tax; defining  
14 certain terms; and generally relating to authorization for a municipal  
15 corporation to impose a hotel rental tax.

16 BY adding to

17 Article 24 – Political Subdivisions – Miscellaneous Provisions

18 Section 9–608

19 Annotated Code of Maryland

20 (2005 Replacement Volume and 2006 Supplement)

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**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article 24 – Political Subdivisions – Miscellaneous Provisions**

4 **9–608.**

5 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
6 MEANINGS INDICATED.

7 (2) “HOTEL” HAS THE MEANING STATED IN § 9–301 OF THIS  
8 TITLE.

9 (3) “HOTEL RENTAL TAX” MEANS THE TAX AUTHORIZED UNDER  
10 THIS SECTION.

11 (4) (I) “TRANSIENT CHARGE” MEANS A HOTEL CHARGE FOR  
12 SLEEPING ACCOMMODATIONS FOR A PERIOD NOT EXCEEDING 4 CONSECUTIVE  
13 MONTHS.

14 (II) “TRANSIENT CHARGE” DOES NOT INCLUDE ANY HOTEL  
15 CHARGE FOR SERVICES OR FOR ACCOMMODATIONS OTHER THAN SLEEPING  
16 ACCOMMODATIONS.

17 (B) (1) A SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, A  
18 MUNICIPAL CORPORATION MAY IMPOSE, BY ORDINANCE OR RESOLUTION, A TAX  
19 ON A TRANSIENT CHARGE PAID TO A HOTEL LOCATED IN THAT MUNICIPAL  
20 CORPORATION.

21 (2) (I) IN THIS PARAGRAPH, “HOTEL RENTAL TAX REVENUE  
22 SHARING ARRANGEMENT” INCLUDES:

23 1. A REQUIREMENT UNDER THE PROVISIONS OF §  
24 9–318 OF THIS TITLE THAT A COUNTY DISTRIBUTE REVENUE FROM A COUNTY  
25 HOTEL RENTAL TAX TO A MUNICIPAL CORPORATION; OR

26 2. ANY OTHER HOTEL RENTAL TAX REVENUE  
27 SHARING REQUIREMENT, AGREEMENT, OR ARRANGEMENT BETWEEN A COUNTY  
28 AND A MUNICIPAL CORPORATION.

1                   **(II) A MUNICIPAL CORPORATION IN A COUNTY THAT HAS A**  
2 **HOTEL RENTAL TAX REVENUE SHARING ARRANGEMENT BETWEEN THE**  
3 **MUNICIPAL CORPORATION AND THE COUNTY MAY NOT IMPOSE A HOTEL RENTAL**  
4 **TAX UNDER THIS SECTION.**

5                   **(3) A MUNICIPAL CORPORATION MAY NOT IMPOSE A TAX ON A**  
6 **TRANSIENT CHARGE PAID TO A HOTEL IF THE HOTEL HAS 10 OR FEWER**  
7 **SLEEPING ROOMS.**

8           **(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A**  
9 **MUNICIPAL CORPORATION SHALL SET THE RATE OF THE HOTEL RENTAL TAX.**

10                   **(2) THE HOTEL RENTAL TAX FOR A MUNICIPAL CORPORATION**  
11 **MAY NOT EXCEED ~~3%~~ 1%.**

12           **(D) A MUNICIPAL CORPORATION THAT IMPOSES A HOTEL RENTAL TAX**  
13 **MAY:**

14                   **(1) PROVIDE FOR THE ADMINISTRATION AND COLLECTION OF**  
15 **THE TAX; ~~AND~~**

16                   **(2) PROVIDE FOR ADDITIONAL EXEMPTIONS FROM THE TAX; AND**

17                   **~~(2)~~ (3) IMPOSE PENALTIES FOR FAILURE TO COLLECT, REPORT, OR**  
18 **PAY THE TAX.**

19           **~~(E) IF A MUNICIPAL CORPORATION IMPOSES A HOTEL RENTAL TAX AS~~**  
20 **~~AUTHORIZED UNDER THIS SECTION, ANY ROOM TAX REVENUE SHARING~~**  
21 **~~ARRANGEMENT BETWEEN THE MUNICIPAL CORPORATION AND A COUNTY,~~**  
22 **~~INCLUDING THE PROVISIONS OF § 9-318 OF THIS TITLE REQUIRING A COUNTY~~**  
23 **~~TO DISTRIBUTE REVENUE FROM A COUNTY HOTEL RENTAL TAX TO THE~~**  
24 **~~MUNICIPAL CORPORATION, SHALL BE NULL AND VOID.~~**

25           **~~(F)~~ (E) IF A COUNTY HAS THE AUTHORITY UNDER SUBTITLE 3 OF THIS**  
26 **TITLE OR ANY OTHER PROVISION OF LAW TO IMPOSE A TAX ON TRANSIENT**  
27 **CHARGES PAID TO HOTELS, TO ACCOMMODATE A TAX IMPOSED UNDER THIS**  
28 **SECTION BY A MUNICIPAL CORPORATION THE COUNTY MAY IMPOSE A TAX RATE**  
29 **ON TRANSIENT CHARGES PAID TO HOTELS LOCATED WITHIN THE MUNICIPAL**

1 **CORPORATION THAT IS LOWER THAN THE TAX RATE IMPOSED ON TRANSIENT**  
2 **CHARGES PAID TO HOTELS OUTSIDE THE MUNICIPAL CORPORATION.**

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 October 1, 2007.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.