

SENATE BILL 402

Q7
SB 520/92 – B&T

7lr1059
CF 7lr1204

By: **Senators Hogan, Currie, Forehand, Kramer, Peters, and Raskin**

Introduced and read first time: February 2, 2007

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

Municipal Corporations – Hotel Rental Tax

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

15 BY adding to

16 Article 24 – Political Subdivisions – Miscellaneous Provisions

17 Section 9–608

18 Annotated Code of Maryland

19 (2005 Replacement Volume and 2006 Supplement)

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

Article 24 – Political Subdivisions – Miscellaneous Provisions

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **9-608.**2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
3 MEANINGS INDICATED.4 (2) "HOTEL" HAS THE MEANING STATED IN § 9-301 OF THIS
5 TITLE.6 (3) "HOTEL RENTAL TAX" MEANS THE TAX AUTHORIZED UNDER
7 THIS SECTION.8 (4) (I) "TRANSIENT CHARGE" MEANS A HOTEL CHARGE FOR
9 SLEEPING ACCOMMODATIONS FOR A PERIOD NOT EXCEEDING 4 CONSECUTIVE
10 MONTHS.11 (II) "TRANSIENT CHARGE" DOES NOT INCLUDE ANY HOTEL
12 CHARGE FOR SERVICES OR FOR ACCOMMODATIONS OTHER THAN SLEEPING
13 ACCOMMODATIONS.14 (B) A MUNICIPAL CORPORATION MAY IMPOSE BY ORDINANCE A TAX ON
15 A TRANSIENT CHARGE PAID TO A HOTEL LOCATED IN THAT MUNICIPAL
16 CORPORATION.17 (C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A
18 MUNICIPAL CORPORATION SHALL SET THE RATE OF THE HOTEL RENTAL TAX.19 (2) THE HOTEL RENTAL TAX FOR A MUNICIPAL CORPORATION
20 MAY NOT EXCEED 3%.21 (D) A MUNICIPAL CORPORATION THAT IMPOSES A HOTEL RENTAL TAX
22 MAY:
23 (1) PROVIDE FOR THE ADMINISTRATION AND COLLECTION OF
24 THE TAX; AND25 (2) IMPOSE PENALTIES FOR FAILURE TO COLLECT, REPORT, OR
26 PAY THE TAX.

1 **(E) IF A MUNICIPAL CORPORATION IMPOSES A HOTEL RENTAL TAX AS**
2 **AUTHORIZED UNDER THIS SECTION, ANY ROOM TAX REVENUE SHARING**
3 **ARRANGEMENT BETWEEN THE MUNICIPAL CORPORATION AND A COUNTY,**
4 **INCLUDING THE PROVISIONS OF § 9-318 OF THIS TITLE REQUIRING A COUNTY**
5 **TO DISTRIBUTE REVENUE FROM A COUNTY HOTEL RENTAL TAX TO THE**
6 **MUNICIPAL CORPORATION, SHALL BE NULL AND VOID.**

7 **(F) IF A COUNTY HAS THE AUTHORITY UNDER SUBTITLE 3 OF THIS**
8 **TITLE OR ANY OTHER PROVISION OF LAW TO IMPOSE A TAX ON TRANSIENT**
9 **CHARGES PAID TO HOTELS, TO ACCOMMODATE A TAX IMPOSED UNDER THIS**
10 **SECTION BY A MUNICIPAL CORPORATION THE COUNTY MAY IMPOSE A TAX RATE**
11 **ON TRANSIENT CHARGES PAID TO HOTELS LOCATED WITHIN THE MUNICIPAL**
12 **CORPORATION THAT IS LOWER THAN THE TAX RATE IMPOSED ON TRANSIENT**
13 **CHARGES PAID TO HOTELS OUTSIDE THE MUNICIPAL CORPORATION.**

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