

# SENATE BILL 908

Q8, Q4

71r3055  
CF 71r3040

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By: **Senator Astle**

Introduced and read first time: February 22, 2007

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Anne Arundel County – Tax on Short-Term Automobile Rentals**

3 FOR the purpose of authorizing Anne Arundel County to impose a sales and use tax on  
4 certain rentals of automobiles under certain circumstances; providing that the  
5 tax does not apply to the rental of certain replacement vehicles under certain  
6 circumstances; defining a certain term; and generally relating to authorization  
7 for Anne Arundel County to impose a sales and use tax on certain rentals of  
8 automobiles under certain circumstances.

9 BY repealing and reenacting, with amendments,  
10 Article 24 – Political Subdivisions – Miscellaneous Provisions  
11 Section 9–602  
12 Annotated Code of Maryland  
13 (2005 Replacement Volume and 2006 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – Tax – General  
16 Section 11–102(c)  
17 Annotated Code of Maryland  
18 (2004 Replacement Volume and 2006 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**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 9-602.

2 (a) **IN THIS SECTION, "AUTOMOBILE" MEANS:**

3 (1) **A PASSENGER CAR, AS DEFINED IN § 11-144.1 OF THE**  
4 **TRANSPORTATION ARTICLE; OR**

5 (2) **A MULTIPURPOSE PASSENGER VEHICLE THAT MAY BE**  
6 **REGISTERED AS A CLASS M VEHICLE UNDER TITLE 13, SUBTITLE 9 OF THE**  
7 **TRANSPORTATION ARTICLE.**

8 (B) Anne Arundel County may impose, by ordinance, and collect a sales or  
9 use tax on:

10 (1) Fuels and utilities used by commercial and industrial businesses;

11 (2) Residential, commercial, and industrial telephone service; [and]

12 (3) Space rentals; **AND**

13 (4) **EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION,**  
14 **RENTAL OF AN AUTOMOBILE FOR A PERIOD OF 180 DAYS OR LESS UNDER THE**  
15 **FOLLOWING TERMS:**

16 (I) **THE VENDOR DOES NOT PROVIDE A DRIVER FOR THE**  
17 **AUTOMOBILE AS A PART OF THE RENTAL; AND**

18 (II) **THE AUTOMOBILE IS NOT TO BE USED TO TRANSPORT**  
19 **INDIVIDUALS OR PROPERTY FOR HIRE.**

20 [(b)] (C) (1) Except as provided in paragraph (2) of this subsection, any  
21 revenues collected under the authority of this section within the boundaries of the City  
22 of Annapolis shall be allocated and distributed in equal amounts to the City of  
23 Annapolis and to Anne Arundel County.

24 (2) Any revenue generated within the boundaries of the City of  
25 Annapolis from the tax on space rentals, including the tax on the room or building  
26 rental tax for transients, shall be collected and retained by the City of Annapolis.

27 [(c)] (D) On or after July 1, 1997, Anne Arundel County may not impose a  
28 sales and use tax on space rentals for the docking or storage of boats.

1           **(E) A TAX IMPOSED ON SHORT-TERM AUTOMOBILE RENTALS UNDER**  
2 **SUBSECTION (B)(4) OF THIS SECTION DOES NOT APPLY TO A RENTAL OF AN**  
3 **AUTOMOBILE AS A REPLACEMENT VEHICLE FOR A VEHICLE THAT IS BEING**  
4 **SERVICED OR REPAIRED:**

5                   **(1) FOR A POLICY HOLDER BY AN INSURER OR FOR A CUSTOMER**  
6 **BY AN AUTOMOBILE DEALER; OR**

7                   **(2) BY THE OWNER OF THE VEHICLE THAT IS BEING SERVICED OR**  
8 **REPAIRED, IF THE OWNER PRESENTS TO THE RENTAL VENDOR:**

9                           **(I) A COPY OF THE REPAIR OR SERVICE INVOICE; OR**

10                           **(II) A STATEMENT SIGNED UNDER PENALTY OF PERJURY**  
11 **THAT THE RENTAL VEHICLE IS A REPLACEMENT VEHICLE FOR A VEHICLE BEING**  
12 **SERVICED OR REPAIRED.**

13                                   **Article – Tax – General**

14 11–102.

15           (c) (1) A county, municipal corporation, special taxing district, or other  
16 political subdivision of the State may not impose any retail sales or use tax except:

17                   (i) a sales tax or use tax that was in effect on January 1, 1971;

18                   (ii) a tax on the sale or use of:

19                           1. fuels;

20                           2. utilities;

21                           3. space rentals; or

22                           4. any controlled dangerous substance, as defined in §  
23 5–101 of the Criminal Law Article, unless the sale is made by a person who registers  
24 under and complies with Title 5, Subtitle 3 of the Criminal Law Article; [or]

25                   (iii) a tax imposed by a code county on the sale or use of food and  
26 beverages authorized under Article 25B, § 13H of the Code; **OR**

1                   (IV) A TAX IMPOSED ON SHORT-TERM AUTOMOBILE  
2 RENTALS BY ANNE ARUNDEL COUNTY AS AUTHORIZED UNDER ARTICLE 24, §  
3 **9-602 OF THE CODE.**

4                   (2) Paragraph (1) of this subsection may not be construed as  
5 conferring authority to impose a sales and use tax.

6                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 July 1, 2007.