SENATE BILL 131

By: **Senators King, Forehand, Peters, and Raskin**
Introduced and read first time: January 18, 2008
Assigned to: Budget and Taxation

A BILL ENTITLED

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; authorizing a county that has the authority to
10 impose a hotel rental tax to impose a lower tax rate for hotels within a
11 municipal corporation that imposes a hotel rental tax; defining certain terms;
12 and generally relating to authorization for a municipal corporation to impose a
13 hotel rental tax.

14 BY adding to
15 Article 24 – Political Subdivisions – Miscellaneous Provisions
16 Section 9–608
17 Annotated Code of Maryland
18 (2005 Replacement Volume and 2007 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**

22 **9–608.**

23 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
24 MEANINGS INDICATED.

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
   [Brackets] indicate matter deleted from existing law.

1   (2)   "HOTEL" HAS THE MEANING STATED IN § 9–301 OF THIS
2   TITLE.

3   (3)   "HOTEL RENTAL TAX" MEANS THE TAX AUTHORIZED UNDER
4   THIS SECTION.

5   (4)   (I)   "TRANSIENT CHARGE" MEANS A HOTEL CHARGE FOR
6   SLEEPING ACCOMMODATIONS FOR A PERIOD NOT EXCEEDING 4 CONSECUTIVE
7   MONTHS.

8   (II)   "TRANSIENT CHARGE" DOES NOT INCLUDE ANY HOTEL
9   CHARGE FOR SERVICES OR FOR ACCOMMODATIONS OTHER THAN SLEEPING
10   ACCOMMODATIONS.

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

15   (2)   (I)   IN THIS PARAGRAPH, "HOTEL RENTAL TAX REVENUE
16   SHARING ARRANGEMENT" INCLUDES:

17   1.   A REQUIREMENT UNDER THE PROVISIONS OF §
18   9–318 OF THIS TITLE THAT A COUNTY DISTRIBUTE REVENUE FROM A COUNTY
19   HOTEL RENTAL TAX TO A MUNICIPAL CORPORATION; OR

20   2.   ANY OTHER HOTEL RENTAL TAX REVENUE
21   SHARING REQUIREMENT, AGREEMENT, OR ARRANGEMENT BETWEEN A COUNTY
22   AND A MUNICIPAL CORPORATION.

23   (II)   A MUNICIPAL CORPORATION IN A COUNTY THAT HAS A
24   HOTEL RENTAL TAX REVENUE SHARING ARRANGEMENT BETWEEN THE
25   MUNICIPAL CORPORATION AND THE COUNTY MAY NOT IMPOSE A HOTEL RENTAL
26   TAX UNDER THIS SECTION.

27   (3)   A MUNICIPAL CORPORATION MAY NOT IMPOSE A TAX ON A
28   TRANSIENT CHARGE PAID TO A HOTEL IF THE HOTEL HAS 10 OR FEWER
29   SLEEPING ROOMS.

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

32   (2)   THE HOTEL RENTAL TAX FOR A MUNICIPAL CORPORATION
33   MAY NOT EXCEED 2%.

1   **(D)**   **A MUNICIPAL CORPORATION THAT IMPOSES A HOTEL RENTAL TAX**
2 **MAY:**

3   **(1)**   **PROVIDE FOR THE ADMINISTRATION AND COLLECTION OF**
4 **THE TAX;**

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

6   **(3)**   **IMPOSE PENALTIES FOR FAILURE TO COLLECT, REPORT, OR**
7 **PAY THE TAX.**

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

15   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 2008.