

CHAPTER 149

(Senate Bill 131)

AN ACT concerning

Municipal Corporations – Hotel Rental Tax

FOR the purpose of authorizing a municipal corporation to impose a tax on certain charges for sleeping accommodations paid to hotels in the municipal corporation, subject to certain limitations; authorizing a municipal corporation to set the rate of the tax, subject to a certain limitation; authorizing a municipal corporation to provide for the administration and collection of the tax, to provide for additional exemptions from the tax, and to impose penalties for failure to collect, report, or pay the tax; *requiring a municipal corporation that imposes a hotel rental tax to make a certain distribution in a certain manner*; authorizing a county that has the authority to impose a hotel rental tax to impose a lower tax rate for hotels within a municipal corporation that imposes a hotel rental tax; defining certain terms; and generally relating to authorization for a municipal corporation to impose a hotel rental tax.

BY adding to

Article 24 – Political Subdivisions – Miscellaneous Provisions

Section 9–608

Annotated Code of Maryland

(2005 Replacement Volume and 2007 Supplement)

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

Article 24 – Political Subdivisions – Miscellaneous Provisions

9–608.

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

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

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

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

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

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

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

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

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

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

(3) A MUNICIPAL CORPORATION MAY NOT IMPOSE A TAX ON A TRANSIENT CHARGE PAID TO A HOTEL IF:

(I) THE HOTEL HAS 10 OR FEWER SLEEPING ROOMS; OR

(II) THE MUNICIPAL CORPORATION IS LOCATED WITHIN A COUNTY THAT:

1. DISTRIBUTES AT LEAST 50% OF TOTAL HOTEL TAX REVENUES TO PROMOTE TOURISM WITHIN THE COUNTY; OR

2. DOES NOT IMPOSE A TAX ON A TRANSIENT CHARGE PAID TO A HOTEL.

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

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

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

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

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

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

(E) A MUNICIPAL CORPORATION THAT IMPOSES A HOTEL RENTAL TAX UNDER THIS SECTION SHALL DISTRIBUTE TO A CONVENTION AND VISITORS BUREAU IN THE COUNTY WHERE THE MUNICIPAL CORPORATION IS LOCATED AT LEAST THE SAME PERCENTAGE OF THE HOTEL RENTAL TAX COLLECTED THAT THE COUNTY DISTRIBUTES TO THE CONVENTION AND VISITORS BUREAU FROM ANY COUNTY HOTEL RENTAL TAX.

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

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

Approved by the Governor, April 24, 2008.