

# SENATE BILL 11

Q8

9lr0438

(PRE-FILED)

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By: **Chair, Anne Arundel County Senators**

Requested: July 22, 2008

Introduced and read first time: January 14, 2009

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Anne Arundel County Tourism and Economic Development**  
3 **Promotion Act of 2009**

4 FOR the purpose of requiring Anne Arundel County to impose a hotel tax at a certain  
5 rate; requiring Anne Arundel County to distribute certain revenue from the  
6 hotel tax to certain organizations and to the county's general fund; making a  
7 technical correction; repealing an obsolete provision; and generally relating to  
8 the Anne Arundel County hotel tax.

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 2008 Supplement)

14 Preamble

15 WHEREAS, The enactment of Chapter 181 of the Acts of the General Assembly  
16 of 2008, the Tourism Promotion Act of 2008, made clear the State's intention of  
17 securing a market share of the burgeoning multibillion dollar travel and tourism  
18 industry by increasing its investment in attracting visitors to Maryland; and

19 WHEREAS, Maryland's \$11 billion travel and tourism industry represents the  
20 State's fourth largest industry, employing over 100,000 people; but neighboring states  
21 have been outspending Maryland in a successful effort to capture a regional market  
22 share of visitor spending, especially by baby boomers who, with their disposable  
23 income, are moving into the 45– to 54–year age group; and

24 WHEREAS, Studies indicate that every dollar spent on destination marketing  
25 yields a \$28.24 return on investment, testimony not only to the fiercely competitive

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 nature of the hospitality industry but also to the rationale behind the enactment of the  
2 Tourism Promotion Act of 2008; and

3 WHEREAS, There is a direct correlation between the intent of the Tourism  
4 Promotion Act of 2008 and the intent of this Act, both seeking to increase public  
5 revenues through a greater investment in the marketing of unique natural, cultural,  
6 and historical amenities for discovery by visitors; and

7 WHEREAS, The General Assembly understands the importance of ensuring the  
8 delivery of timely and quality public services to the citizens of the State, but it also  
9 realizes there is an obligation to finance these services not only through special fees  
10 and general taxes but also through innovative ways such as those provided for in this  
11 Act; and

12 WHEREAS, This Act capitalizes on revenues generated by visitor spending, not  
13 residential-taxpayer dollars, by annually dedicating a percentage of hotel tax revenue  
14 to the Annapolis and Anne Arundel County Conference and Visitors Bureau and the  
15 Anne Arundel Economic Development Corporation, in order to underwrite a  
16 21st-century visitor marketing strategy and other economic development  
17 opportunities with the single-minded purpose of generating additional revenues for  
18 the public treasuries of the City of Annapolis and Anne Arundel County; now,  
19 therefore,

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

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

23 9–602.

24 (a) Anne Arundel County may impose, by ordinance, and collect a sales or  
25 use tax on:

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

27 (2) Residential, commercial, and industrial telephone service; and

28 (3) Space rentals.

29 (b) (1) Except as provided in paragraph (2) of this subsection, any  
30 revenues collected under the authority of this section within the boundaries of the City  
31 of Annapolis shall be allocated and distributed in equal amounts to the City of  
32 Annapolis and to Anne Arundel County.

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

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

3           **(D)   (1)   ANNE ARUNDEL COUNTY SHALL IMPOSE, BY ORDINANCE, A**  
4 **HOTEL TAX AT A RATE OF 7%.**

5                   **(2)   ANNE ARUNDEL COUNTY SHALL DISTRIBUTE:**

6                           **(I)   25% OF THE COUNTY'S SHARE OF ANY REVENUE FROM A**  
7 **HOTEL TAX TO THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CONFERENCE**  
8 **AND VISITORS BUREAU; AND**

9                           **(II)   7% OF THE COUNTY'S SHARE OF ANY REVENUE FROM A**  
10 **HOTEL TAX TO THE ANNE ARUNDEL ECONOMIC DEVELOPMENT CORPORATION.**

11                   **(3)   AFTER THE DISTRIBUTIONS REQUIRED UNDER PARAGRAPH**  
12 **(2) OF THIS SUBSECTION, THE BALANCE OF THE COUNTY'S SHARE OF REVENUE**  
13 **FROM A HOTEL TAX SHALL BE CREDITED TO THE GENERAL FUND OF THE**  
14 **COUNTY.**

15           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 July 1, 2009.