

# SENATE BILL 11

Q8

(PRE-FILED)

9lr0438  
CF HB 360

---

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

Requested: July 22, 2008

Introduced and read first time: January 14, 2009

Assigned to: Budget and Taxation

---

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 13, 2009

---

## CHAPTER \_\_\_\_\_

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; requiring  
7 certain organizations to report to the Anne Arundel County Executive and to  
8 the members of the General Assembly representing Anne Arundel County;  
9 making a technical correction; repealing an obsolete provision; and generally  
10 relating to the Anne Arundel County hotel tax.

11 BY repealing and reenacting, with amendments,  
12 Article 24 – Political Subdivisions – Miscellaneous Provisions  
13 Section 9–602  
14 Annotated Code of Maryland  
15 (2005 Replacement Volume and 2008 Supplement)

16 Preamble

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

---

**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

6 WHEREAS, Studies indicate that every dollar spent on destination marketing  
7 yields a \$28.24 return on investment, testimony not only to the fiercely competitive  
8 nature of the hospitality industry but also to the rationale behind the enactment of the  
9 Tourism Promotion Act of 2008; and

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

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

19 WHEREAS, This Act capitalizes on revenues generated by visitor spending, not  
20 residential-taxpayer dollars, by annually dedicating a percentage of hotel tax revenue  
21 to the Annapolis and Anne Arundel County Conference and Visitors Bureau and the  
22 Anne Arundel Economic Development Corporation, in order to underwrite a  
23 21st-century visitor marketing strategy and other economic development  
24 opportunities with the single-minded purpose of generating additional revenues for  
25 the public treasuries of the City of Annapolis and Anne Arundel County; now,  
26 therefore,

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

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

30 9-602.

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

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

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

35 (3) Space rentals.

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

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

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

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

(2) ANNE ARUNDEL COUNTY, FROM THE COUNTY'S SHARE OF ANY REVENUE FROM THE HOTEL TAX, SHALL DISTRIBUTE:

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

~~(II) 7% OF THE COUNTY'S SHARE OF ANY REVENUE FROM A HOTEL TAX TO THE ANNE ARUNDEL ECONOMIC DEVELOPMENT CORPORATION;~~

(II) IN FISCAL YEAR 2011, 15% TO THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CONFERENCE AND VISITORS BUREAU;

(III) IN FISCAL YEAR 2012, 20% TO THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CONFERENCE AND VISITORS BUREAU; AND

(IV) IN FISCAL YEAR 2013 AND EACH FISCAL YEAR THEREAFTER, 25% TO THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CONFERENCE AND VISITORS BUREAU.

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

(E) THE ANNE ARUNDEL ECONOMIC DEVELOPMENT CORPORATION AND THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CONFERENCE AND VISITORS BUREAU SHALL REPORT TO THE ANNE ARUNDEL COUNTY EXECUTIVE AND THE MEMBERS OF THE GENERAL ASSEMBLY REPRESENTING

1 ANNE ARUNDEL COUNTY ON THEIR USE OF HOTEL TAX REVENUE DURING THE  
2 PRECEDING FISCAL YEAR.

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

Approved:

---

Governor.

---

President of the Senate.

---

Speaker of the House of Delegates.