

CHAPTER 505

(Senate Bill 11)

AN ACT concerning

Anne Arundel County Tourism and Economic Development Promotion Act of 2009

FOR the purpose of ~~requiring Anne Arundel County to impose a hotel tax at a certain rate; repealing a requirement that the City of Annapolis collect and retain the revenue generated within the city from a certain hotel tax;~~ requiring Anne Arundel County to distribute certain revenue from the hotel tax to the City of Annapolis and certain organizations and to the county's general fund; requiring certain organizations to report to the Anne Arundel County Executive and to the members of the General Assembly representing Anne Arundel County; ~~making a technical correction;~~ repealing an obsolete provision; and generally relating to the Anne Arundel County hotel tax.

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

Preamble

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

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

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

WHEREAS, There is a direct correlation between the intent of the Tourism Promotion Act of 2008 and the intent of this Act, both seeking to increase public

revenues through a greater investment in the marketing of unique natural, cultural, and historical amenities for discovery by visitors; and

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

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

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

9-602.

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

- (1) Fuels and utilities used by commercial and industrial businesses;
- (2) Residential, commercial, and industrial telephone service; and
- (3) Space rentals.

(b) (1) ~~Except as provided in paragraph (2) of this subsection, any~~ **ANY** revenues collected under the authority of **SUBSECTION (A)(1) AND (2) 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~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,** **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.

(3) ANY REVENUE GENERATED WITHIN THE BOUNDARIES OF THE CITY OF ANNAPOLIS FROM THE HOTEL TAX SHALL BE COLLECTED BY ANNE ARUNDEL COUNTY.

(4) FROM ANY REVENUE GENERATED WITHIN THE BOUNDARIES OF THE CITY OF ANNAPOLIS FROM THE HOTEL TAX, ANNE ARUNDEL COUNTY SHALL DISTRIBUTE:

(I) IN FISCAL YEAR 2012:

1. 2% TO THE ARTS COUNCIL OF ANNE ARUNDEL COUNTY, INC.; AND

2. 8% TO THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CONFERENCE AND VISITORS BUREAU;

(II) IN FISCAL YEAR 2013:

1. 2.5% TO THE ARTS COUNCIL OF ANNE ARUNDEL COUNTY, INC.; AND

2. 12.5% TO THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CONFERENCE AND VISITORS BUREAU; AND

(III) IN FISCAL YEAR 2014 AND EACH FISCAL YEAR THEREAFTER:

1. 3% TO THE ARTS COUNCIL OF ANNE ARUNDEL COUNTY, INC.; AND

2. 17% TO THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CONFERENCE AND VISITORS BUREAU.

(5) AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER PARAGRAPH (4) OF THIS SUBSECTION, THE BALANCE OF THE REVENUE GENERATED WITHIN THE BOUNDARIES OF THE CITY OF ANNAPOLIS FROM THE HOTEL TAX SHALL BE DISTRIBUTED TO 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) IN FISCAL YEARS 2010 AND 2011, 7% TO THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CONFERENCE AND VISITORS BUREAU; 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 2012; 15% TO THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CONFERENCE AND VISITORS BUREAU;~~

~~1. 2% TO THE ARTS COUNCIL OF ANNE ARUNDEL COUNTY, INC.; AND~~

~~2. 8% TO THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CONFERENCE AND VISITORS BUREAU;~~

~~(III) IN FISCAL YEAR 2012 2013; 20% TO THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CONFERENCE AND VISITORS BUREAU~~

~~1. 2.5% TO THE ARTS COUNCIL OF ANNE ARUNDEL COUNTY, INC.; AND~~

~~2. 12.5% TO THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CONFERENCE AND VISITORS BUREAU; AND~~

~~(IV) IN FISCAL YEAR 2013 2014 AND EACH FISCAL YEAR THEREAFTER; 25% TO THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CONFERENCE AND VISITORS BUREAU~~

~~1. 3% TO THE ARTS COUNCIL OF ANNE ARUNDEL COUNTY, INC.; AND~~

~~2. 17% TO THE ANNAPOLIS AND ANNE ARUNDEL COUNTY CONFERENCE AND VISITORS BUREAU.~~

~~(3)~~ ~~(2)~~ AFTER THE DISTRIBUTIONS REQUIRED UNDER PARAGRAPH ~~(2)~~ ~~(1)~~ 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~~ ARTS COUNCIL OF ANNE ARUNDEL COUNTY, INC. 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 ANNE ARUNDEL COUNTY ON THEIR USE OF HOTEL TAX REVENUE DURING THE PRECEDING FISCAL YEAR.

SECTION 2. AND BE IT FURTHER ENACTED, That in fiscal years 2010 and 2011, from the county's share of any revenue from the hotel tax, Anne Arundel County shall distribute \$260,000 to the Arts Council of Anne Arundel County, Inc.

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

Approved by the Governor, May 19, 2009.