

HOUSE BILL 664

Q8

0lr1237

By: **Delegate Riley**

Introduced and read first time: February 4, 2010

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Harford County – Authority to Impose a Hotel Rental Tax**

3 FOR the purpose of authorizing Harford County to impose a hotel rental tax at not
4 more than a certain rate; requiring Harford County to hold a certain public
5 hearing before imposing the hotel rental tax; requiring a hotel located in
6 Harford County to collect the tax and to file a certain tax return and pay taxes
7 collected on or before a certain date each month; requiring Harford County to
8 distribute the hotel rental tax revenue to the county general fund; authorizing
9 the governing body of Harford County to provide an exemption from the hotel
10 rental tax for transient charges paid by certain nonprofits to provide temporary
11 shelter for certain individuals; providing that in Harford County unpaid hotel
12 rental tax is a lien against the real and personal property of the person owing
13 the tax; defining certain terms; and generally relating to authorizing Harford
14 County to impose a hotel rental tax.

15 BY repealing and reenacting, with amendments,
16 Article 24 – Political Subdivisions – Miscellaneous Provisions
17 Section 9–301, 9–303, 9–304, 9–310, and 9–325
18 Annotated Code of Maryland
19 (2005 Replacement Volume and 2009 Supplement)

20 BY repealing and reenacting, without amendments,
21 Article 24 – Political Subdivisions – Miscellaneous Provisions
22 Section 9–302, 9–308, 9–309, 9–311, 9–314 through 9–317, 9–318(a), 9–321
23 through 9–324, and 9–326
24 Annotated Code of Maryland
25 (2005 Replacement Volume and 2009 Supplement)

26 BY adding to
27 Article 24 – Political Subdivisions – Miscellaneous Provisions
28 Section 9–305(e)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2005 Replacement Volume and 2009 Supplement)

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

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

6 9–301.

7 (a) In this subtitle the following words have the meanings indicated.

8 (b) “Authorized county” means:

9 (1) A code county;

10 (2) Calvert County;

11 (3) Carroll County;

12 (4) Cecil County;

13 (5) Charles County;

14 (6) Dorchester County;

15 (7) Frederick County;

16 (8) Garrett County;

17 (9) **HARFORD COUNTY;**

18 **(10)** St. Mary’s County;

19 **[(10)] (11)** Somerset County;

20 **[(11)] (12)** Talbot County;

21 **[(12)] (13)** Washington County; and

22 **[(13)] (14)** Wicomico County.

23 (c) “Code county”:

24 (1) Means a county that has adopted home rule under Article XI–F of
25 the Maryland Constitution; and

1 (2) Includes:

2 (i) Allegany County;

3 (ii) Caroline County;

4 (iii) Kent County;

5 (iv) Queen Anne's County; and

6 (v) Worcester County.

7 (d) (1) "Hotel" means an establishment that offers sleeping
8 accommodations for compensation.

9 (2) "Hotel" includes:

10 (i) An apartment;

11 (ii) A cottage;

12 (iii) A hostelry;

13 (iv) An inn;

14 (v) A motel;

15 (vi) A rooming house; or

16 (vii) A tourist home.

17 (e) "Hotel rental tax" means the tax authorized under this subtitle.

18 (f) (1) Except as provided in paragraphs (2) and (3) of this subsection,
19 "transient charge" means a hotel charge for sleeping accommodations for a period not
20 exceeding 4 consecutive months.

21 (2) In Frederick County and Washington County, "transient charge"
22 means a hotel charge for sleeping accommodations for a period not exceeding 30 days.

23 (3) In Carroll County, "transient charge" means a hotel charge for
24 sleeping accommodations for a period not exceeding 25 days.

25 (4) "Transient charge" does not include any hotel charge for services or
26 for accommodations other than sleeping accommodations.

27 9-302.

1 This subtitle allows a hotel rental tax for an authorized county.

2 9–303.

3 (a) Except as provided in subsection (c) of this section, an authorized county
4 may impose, by resolution, a tax on a transient charge paid to a hotel located in that
5 county.

6 (b) Before Calvert County, Charles County, **HARFORD COUNTY**, or St.
7 Mary’s County imposes a hotel rental tax, the governing body of the county shall hold
8 a public hearing, which:

9 (1) Shall be advertised twice by publication in a newspaper of general
10 circulation in the county at least 10 days before the hearing; and

11 (2) May not be part of the annual budget hearing.

12 (c) (1) In this subsection, “population center” means any portion of Cecil
13 County, as specified by the Board of County Commissioners, that:

14 (i) Is not larger than 10 square miles in geographic area; and

15 (ii) Has a population of at least 6,000 residents.

16 (2) Cecil County may impose the hotel rental tax only on a transient
17 charge paid to a hotel located in a population center in the county.

18 9–304.

19 (a) Subject to the limitations in subsections (b) and (c) of this section, the
20 hotel rental tax rate is the rate that the authorized county sets by resolution.

21 (b) An authorized county may not set a hotel rental tax rate that exceeds:

22 (1) 3% in a code county;

23 (2) 5% in Calvert County;

24 (3) 5% in Carroll County;

25 (4) 3% in Cecil County;

26 (5) 5% in Charles County;

27 (6) 5% in Dorchester County;

28 (7) 5% in Frederick County;

- 1 (8) 5% in Garrett County;
- 2 (9) **5% IN HARFORD COUNTY;**
- 3 **(10)** 5% in St. Mary's County;
- 4 [(10)] **(11)** 5% in Somerset County;
- 5 [(11)] **(12)** 4% in Talbot County; and
- 6 [(12)] **(13)** 6% in Wicomico County.

7 (c) (1) Notwithstanding subsection (b)(1) of this section, a code county,
8 other than a code county in the Western Maryland class, may set a hotel rental tax
9 rate that is greater than 3%, but not exceeding 5%, with the unanimous consent of the
10 county commissioners for the county.

11 (2) Notwithstanding subsection (b)(1) of this section, a code county in
12 the Western Maryland class may set a hotel rental tax rate that is greater than 3%,
13 but not exceeding 8%, with the unanimous consent of the county commissioners for the
14 county.

15 (d) The hotel rental tax rate in Washington County is 6%.

16 9-305.

17 **(E) THE GOVERNING BODY OF HARFORD COUNTY MAY PROVIDE, BY**
18 **LAW, A TAX EXEMPTION FOR TRANSIENT CHARGES PAID BY A NONPROFIT**
19 **CHARITABLE ORGANIZATION TO A HOTEL TO PROVIDE TEMPORARY SHELTER**
20 **FOR INDIVIDUALS WHO ARE IN NEED AS A RESULT OF MISFORTUNE.**

21 9-308.

22 A person shall pay the hotel rental tax to the hotel when the person pays the
23 transient charge.

24 9-309.

25 (a) A hotel shall:

26 (1) Give the person who is required to pay a transient charge a bill
27 that identifies the transient charge as a separate item from any other charge; and

28 (2) Collect the hotel rental tax from the person who pays the transient
29 charge.

1 (b) A hotel holds hotel rental tax collected in trust for the authorized county
 2 that imposes the tax until the hotel pays the tax to that county as required under this
 3 subtitle.

4 9–310.

5 (a) A hotel shall complete, sign, and file a hotel rental tax return with:

6 (1) Except as provided in paragraph (2) of this subsection, a code
 7 county, on or before the 10th day of each month;

8 (2) (i) A code county in the Eastern Shore class established under
 9 Article 25B, § 2 of the Code, on or before the 21st day of each month;

10 (ii) Calvert County, on or before the 21st day of each month;

11 (iii) Carroll County, on or before the 21st day of each month;

12 (iv) Cecil County, on or before the 10th day of each month;

13 (v) Charles County, on or before the 21st day of each month;

14 (vi) Dorchester County, on or before the 21st day of each month;

15 (vii) Frederick County, on or before the 21st day of each month;

16 (viii) Garrett County, on or before the 21st day of each month;

17 (ix) **HARFORD COUNTY, ON OR BEFORE THE 21ST DAY OF**
 18 **EACH MONTH;**

19 (x) St. Mary's County, on or before the 21st day of each month;

20 [(x)] (xi) Somerset County, on or before the 21st day of each
 21 month;

22 [(xi)] (xii) Talbot County, on or before the 20th day of each
 23 month;

24 [(xii)] (xiii) Washington County, on or before the 25th day of each
 25 month; and

26 [(xiii)] (xiv) Wicomico County, on or before the 20th day of each
 27 month.

28 (b) A hotel rental tax return for an authorized county:

1 (1) Shall be made on the form that the county requires;

2 (2) Shall contain the information that the county requires, including
3 the amount of:

4 (i) Transient charges paid to the hotel during the prior
5 calendar month; and

6 (ii) The hotel rental tax required to be collected during the prior
7 calendar month.

8 9–311.

9 (a) A hotel shall pay to the authorized county that imposes the hotel rental
10 tax the tax collected for a calendar month with the return that covers that month.

11 (b) (1) Except as provided in paragraph (2) of this subsection, a hotel is
12 allowed, for administrative costs, a discount equal to 1.5% of the gross amount of hotel
13 rental tax collected, if, on or before the due date, the hotel:

14 (i) Files the hotel rental tax return; and

15 (ii) Pays the hotel rental tax.

16 (2) The Commissioners of Calvert County, Carroll County, Charles
17 County, St. Mary's County, and Washington County may determine whether a hotel is
18 eligible to receive a discount.

19 9–314.

20 An authorized county shall administer the hotel rental tax for that county.

21 9–315.

22 To provide for orderly, systematic, and thorough administration of the hotel
23 rental tax, an authorized county may adopt regulations that:

24 (1) Are consistent with this subtitle; and

25 (2) Conform to the applicable provisions and regulations for the sales
26 and use tax under Title 11 of the Tax – General Article.

27 9–316.

28 (a) The Comptroller shall provide an authorized county with information to
29 help the county to verify hotel rental tax liability.

1 (b) (1) The Comptroller may charge an authorized county a reasonable fee
2 for the cost of providing information.

3 (2) The county shall treat the fee as a hotel rental tax administrative
4 cost.

5 9-317.

6 (a) To cover the revenue that a treasurer collects under this subtitle, an
7 authorized county may increase the surety bond that the county requires for its
8 treasurer.

9 (b) The county shall treat any additional premium due to a surety bond
10 increase allowed under subsection (a) of this section as a hotel rental tax
11 administrative cost.

12 9-318.

13 (a) Except for Talbot County, Washington County, Dorchester County,
14 Frederick County, and Carroll County, an authorized county shall distribute the hotel
15 rental tax revenue as follows:

16 (1) From the total revenue, a reasonable sum for hotel rental tax
17 administrative costs to the general fund of the county;

18 (2) In a code county and Calvert, Cecil, Garrett, and St. Mary's
19 counties, after the distribution in item (1) of this subsection, the revenue attributable
20 to a hotel located in a municipal corporation to the municipal corporation; and

21 (3) The remaining balance to the general fund of the county.

22 9-321.

23 (a) If a hotel fails to pay the hotel rental tax as required by this subtitle, the
24 hotel shall pay interest on the unpaid tax from the date on which the hotel is required
25 to pay the tax to the date that the tax is paid.

26 (b) The interest rate for each month or fraction of a month is:

27 (1) For Cecil County, Talbot County, Washington County, Wicomico
28 County, and Dorchester County, 1%; and

29 (2) For any other authorized county, 0.5%.

30 9-322.

1 (a) If a hotel fails to pay the hotel rental tax to an authorized county, except
2 Talbot County or Wicomico County, within 1 month after the payment is due under §
3 9–311 of this subtitle, the hotel shall pay a tax penalty of 10% of the unpaid tax.

4 (b) If a hotel fails to pay the hotel rental tax to Talbot County or Wicomico
5 County within 120 days after the payment is due under § 9–311 of this subtitle, the
6 hotel shall pay a tax penalty of 10% of the unpaid tax.

7 9–323.

8 An authorized county may file a civil action to collect unpaid hotel rental tax.

9 9–324.

10 An authorized county may collect unpaid hotel rental tax by distraint.

11 9–325.

12 Unpaid hotel rental tax in a code county, Carroll County, Cecil County, Charles
13 County, Dorchester County, Frederick County, Garrett County, **HARFORD COUNTY**,
14 Somerset County, Talbot County, Washington County, and Wicomico County is a lien
15 against the real and personal property of the person owing the tax and is collectible in
16 the same manner as the property tax may be collected under the Tax – Property
17 Article.

18 9–326.

19 (a) (1) To protect hotel rental tax revenue, an authorized county may
20 require a hotel to file security with that county in an amount that the county
21 determines.

22 (2) Cecil, Talbot, and Wicomico counties may require security under
23 this section only if a hotel has been in default.

24 (b) Security under this section shall be:

25 (1) A bond issued by a surety company that is:

26 (i) Authorized to do business in the State; and

27 (ii) Approved by the Insurance Commissioner as to solvency and
28 responsibility;

29 (2) Cash; or

30 (3) Securities approved by the county.

1 (c) If security is required under this section, the county shall give the hotel
2 notice of the amount of security.

3 (d) Within 5 days after a hotel receives notice that security is required, the
4 hotel shall:

5 (1) File the security; or

6 (2) Submit a written request for a hearing on the security
7 requirement.

8 (e) (1) If a hearing is requested, the county shall hold a hearing to
9 determine the necessity, propriety, and amount of the security.

10 (2) The determination at the hearing is final, and the hotel shall
11 comply within 15 days after the hotel receives notice of the determination.

12 (f) Without notice to the hotel that files security under subsection (b)(2) or
13 (3) of this section, the county at any time may:

14 (1) Apply the cash to the hotel rental tax due; or

15 (2) Sell the security and apply the proceeds of the sale to the hotel
16 rental tax due.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 July 1, 2010.