

HOUSE BILL 584

Q8, Q2

11r2465

By: **Delegate James**

Introduced and read first time: February 9, 2011

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Harford County – Taxes**

3 FOR the purpose of authorizing Harford County to impose a hotel rental tax at a
4 certain rate; requiring a hotel located in Harford County to collect the tax and to
5 file a certain tax return and pay taxes collected on or before a certain date each
6 month; requiring Harford County to distribute the hotel rental tax revenue in a
7 certain manner; authorizing the governing body of Harford County to provide
8 an exemption from the hotel rental tax for transient charges paid by certain
9 organizations to provide temporary shelter for certain individuals; providing
10 that in Harford County unpaid hotel rental tax is a lien against the real and
11 personal property of the person owing the tax; requiring the governing body of
12 Harford County and the governing body of a municipal corporation in Harford
13 County to provide, by law, for a credit against the county and municipal
14 corporation property tax imposed on certain property owned by and used in
15 connection with a continuing care facility; defining certain terms; providing for
16 the effective dates of this Act; providing for the termination of certain provisions
17 of this Act; and generally relating to certain taxes imposed in Harford County.

18 BY repealing and reenacting, with amendments,
19 Article 24 – Political Subdivisions – Miscellaneous Provisions
20 Section 9–301, 9–310, 9–318(a), and 9–325
21 Annotated Code of Maryland
22 (2005 Replacement Volume and 2010 Supplement)

23 BY repealing and reenacting, without amendments,
24 Article 24 – Political Subdivisions – Miscellaneous Provisions
25 Section 9–302, 9–303(a), 9–308, 9–309, 9–311, 9–314 through 9–317, 9–321
26 through 9–324, and 9–326
27 Annotated Code of Maryland
28 (2005 Replacement Volume and 2010 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to
2 Article 24 – Political Subdivisions – Miscellaneous Provisions
3 Section 9–304(e), 9–305(e), and 9–318(b)(9)
4 Annotated Code of Maryland
5 (2005 Replacement Volume and 2010 Supplement)

6 BY repealing and reenacting, with amendments,
7 Article – Tax – Property
8 Section 9–314(d)
9 Annotated Code of Maryland
10 (2007 Replacement Volume and 2010 Supplement)

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

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

14 9–301.

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

16 (b) “Authorized county” means:

17 (1) A code county;

18 (2) Calvert County;

19 (3) Carroll County;

20 (4) Cecil County;

21 (5) Charles County;

22 (6) Dorchester County;

23 (7) Frederick County;

24 (8) Garrett County;

25 (9) **HARFORD COUNTY;**

26 **(10)** St. Mary’s County;

27 **[(10)] (11)** Somerset County;

28 **[(11)] (12)** Talbot County;

1 [(12)] (13) Washington County; and

2 [(13)] (14) Wicomico County.

3 (c) “Code county”:

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

6 (2) Includes:

7 (i) Allegany County;

8 (ii) Caroline County;

9 (iii) Kent County;

10 (iv) Queen Anne’s County; and

11 (v) Worcester County.

12 (d) (1) “Hotel” means an establishment that offers sleeping
13 accommodations for compensation.

14 (2) “Hotel” includes:

15 (i) An apartment;

16 (ii) A cottage;

17 (iii) A hostelry;

18 (iv) An inn;

19 (v) A motel;

20 (vi) A rooming house; or

21 (vii) A tourist home.

22 (e) “Hotel rental tax” means the tax authorized under this subtitle.

23 (f) (1) Except as provided in paragraphs (2) and (3) of this subsection,
24 “transient charge” means a hotel charge for sleeping accommodations for a period not
25 exceeding 4 consecutive months.

1 (2) In Frederick County and Washington County, “transient charge”
2 means a hotel charge for sleeping accommodations for a period not exceeding 30 days.

3 (3) In Carroll County, “transient charge” means a hotel charge for
4 sleeping accommodations for a period not exceeding 25 days.

5 (4) “Transient charge” does not include any hotel charge for services or
6 for accommodations other than sleeping accommodations.

7 9–302.

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

9 9–303.

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

13 9–304.

14 **(E) THE HOTEL RENTAL TAX RATE IN HARFORD COUNTY IS 5%.**

15 9–305.

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

20 9–308.

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

23 9–309.

24 (a) A hotel shall:

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

27 (2) Collect the hotel rental tax from the person who pays the transient
28 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, **AND HARFORD COUNTY**, an authorized
15 county shall distribute the hotel 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 (b) **(9) HARFORD COUNTY SHALL DISTRIBUTE:**

23 **(I) 50% OF THE HOTEL RENTAL TAX REVENUE COLLECTED**
24 **AS FOLLOWS:**

25 **1. 70% TO THE TOURISM AND GENERAL PROMOTION**
26 **OF HARFORD COUNTY; AND**

27 **2. 30% TO BE USED AS GRANTS TO MUNICIPALITIES**
28 **IN HARFORD COUNTY; AND**

29 **(II) 50% OF THE HOTEL RENTAL TAX REVENUE COLLECTED**
30 **AS FOLLOWS:**

1 **1. IF THE CITY OF ABERDEEN IS REQUIRED TO**
2 **GRANT A PROPERTY TAX CREDIT TO A FACILITY UNDER § 9-314(D) OF THE**
3 **TAX – PROPERTY ARTICLE, THE FIRST \$600,000 TO THE CITY OF ABERDEEN TO**
4 **OFFSET THE COST OF THE MANDATORY PROPERTY TAX CREDIT;**

5 **2. FOR FISCAL YEAR 2012 THROUGH FISCAL YEAR**
6 **2022, THE NEXT \$250,000 TO THE RIPKEN STADIUM AUTHORITY TO OFFSET**
7 **THE ANNUAL OPERATING OR CAPITAL COSTS OF MAINTAINING RIPKEN**
8 **STADIUM;**

9 **3. THE NEXT \$150,000 TO THE ENTERPRISE FUND**
10 **FOR THE HARFORD COUNTY CONVENTION CENTER; AND**

11 **4. THE REMAINDER AS PROVIDED UNDER ITEM (I)**
12 **OF THIS PARAGRAPH.**

13 9-321.

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

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

18 (1) For Cecil County, Talbot County, Washington County, Wicomico
19 County, and Dorchester County, 1%; and

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

21 9-322.

22 (a) If a hotel fails to pay the hotel rental tax to an authorized county, except
23 Talbot County or Wicomico County, within 1 month after the payment is due under §
24 9-311 of this subtitle, the hotel shall pay a tax penalty of 10% of the unpaid tax.

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

28 9-323.

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

30 9-324.

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

1 9-325.

2 Unpaid hotel rental tax in a code county, Carroll County, Cecil County, Charles
3 County, Dorchester County, Frederick County, Garrett County, **HARFORD COUNTY**,
4 Somerset County, Talbot County, Washington County, and Wicomico County is a lien
5 against the real and personal property of the person owing the tax and is collectible in
6 the same manner as the property tax may be collected under the Tax – Property
7 Article.

8 9-326.

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

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

14 (b) Security under this section shall be:

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

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

17 (ii) Approved by the Insurance Commissioner as to solvency and
18 responsibility;

19 (2) Cash; or

20 (3) Securities approved by the county.

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

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

25 (1) File the security; or

26 (2) Submit a written request for a hearing on the security
27 requirement.

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

1 (ii) additional eligibility criteria for the tax credit under this
2 subsection;

3 (iii) regulations and procedures for the application and uniform
4 processing of requests for the tax credit; and

5 (iv) any other provision necessary to carry out the credit under
6 this subsection.

7 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
8 take effect June 1, 2011, and shall be applicable to all taxable years beginning after
9 June 30, 2011, but before June 30, 2026. It shall remain effective for a period of 15
10 years and, at the end of June 30, 2026, with no further action required by the General
11 Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.

12 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in
13 Section 3 of this Act, this Act shall take effect June 1, 2011.