

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

House Bill 1409
Ways and Means

(Anne Arundel County Delegation)

Budget and Taxation

**Anne Arundel County - Collection of Hotel Taxes and Distribution of Revenues -
City of Annapolis**

This bill authorizes Anne Arundel County to authorize the City of Annapolis to collect revenue generated in the City of Annapolis from the hotel tax. If Anne Arundel County authorizes the City of Annapolis to collect revenue generated by the hotel tax, the City of Annapolis must distribute 3% of the hotel tax revenue to the Arts Council of Anne Arundel County, Inc. and 17% to the Annapolis and Anne Arundel County Conference and Visitors Bureau and retain the balance of the revenue generated.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: None.

Local Effect: None. The bill codifies current practice.

Small Business Effect: None.

Analysis

Current Law: Revenue generated in the City of Annapolis from the hotel tax is required to be collected by Anne Arundel County and the county is required to distribute a percentage of the revenue generated in the city from the hotel tax in the manner described above while the balance of the revenue generated is distributed to the city.

The hotel occupancy tax levied on the rent paid for the use or occupancy of a room in a hotel in Anne Arundel County is 7%. The Anne Arundel County Code authorizes the county to enter into an agreement with the Mayor and Aldermen of the City of Annapolis delegating to the City of Annapolis the authority to act as collecting authority for the tax levied on the occupancy of hotels located in the City of Annapolis.

Background: Anne Arundel County reports that the City of Annapolis has been collecting the hotel tax in the city for a number of years and a 2011 agreement between the city and county formalized that process. However, in 2014, the county auditor reported a conflict between State law and county law with regards to the collection of the hotel tax in the city. The bill codifies current practice.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): City of Annapolis, Anne Arundel County, Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2014
ncs/jrb

Analysis by: Michael Sanelli

Direct Inquiries to:
(410) 946-5510
(301) 970-5510