

Chapter 594

(Senate Bill 216)

AN ACT concerning

Garrett County – Hotel Rental Tax – Rate and Distribution of Revenue

FOR the purpose of increasing the maximum hotel rental tax rate that Garrett County may impose; altering the distribution of hotel rental tax revenue in Garrett County; and generally relating to the hotel rental tax in Garrett County.

BY repealing and reenacting, with amendments,

Article – Local Government
Section 20–405 and 20–415
Annotated Code of Maryland
(2013 Volume and 2018 Supplement)

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

Article – Local Government

20–405.

(a) Subject to this section, the hotel rental tax rate is the rate that the county sets by resolution.

(b) The hotel rental tax rate may not exceed:

- (1) except as otherwise provided in this section, 3% in a code county;
- (2) 3% in Cecil County;
- (3) 4% in Talbot County;

(4) 5% in Calvert County, Carroll County, Charles County, Dorchester County, Frederick County, St. Mary's County, and Somerset County; [and]

(5) 6% in [Garrett County and] Wicomico County; AND

(6) 8% IN GARRETT COUNTY.

(c) With the unanimous consent of the county commissioners:

(1) a code county other than a Western Maryland code county may set a

hotel rental tax rate up to 5%; and

(2) a Western Maryland code county may set a hotel rental tax rate up to 8%.

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

20-415.

(a) Except as otherwise provided in this part, a code county, Calvert County, Cecil County, Garrett County, or St. Mary's County shall distribute the hotel rental tax revenue as follows:

(1) a reasonable sum for hotel rental tax administrative costs to the general fund of the county;

(2) after the distribution in item (1) of this subsection, the revenue attributable to a hotel located in a municipality to the municipality; and

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

(b) Cecil County may not deduct more than 5% of the revenue for administrative costs under subsection (a)(1) of this section.

[(c) Garrett County shall designate a part of the balance under subsection (a)(3) of this section for the promotion of the county.]

(C) (1) FROM THE PART OF THE BALANCE UNDER SUBSECTION (A)(3) OF THIS SECTION THAT IS ATTRIBUTABLE TO A TAX RATE OF 6% OR LESS, GARRETT COUNTY SHALL DESIGNATE A PORTION FOR THE PROMOTION OF THE COUNTY.

(2) IF GARRETT COUNTY IMPOSES A TAX RATE GREATER THAN 6%, THE PART OF THE BALANCE UNDER SUBSECTION (A)(3) OF THIS SECTION THAT IS ATTRIBUTABLE TO THE RATE GREATER THAN 6% SHALL BE DISTRIBUTED TO THE GENERAL FUND OF THE COUNTY.

(d) If a Western Maryland code county imposes a tax rate greater than 5%, the revenue attributable to the rate greater than 5% and attributable to a hotel located in a municipality shall be distributed to the general fund of the county.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2019.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 25, 2019.