



Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

February 24, 2025

Committee: House Ways and Means Committee

Bill: HB 1103 – Local Government - Accommodations Intermediaries - Hotel Rental Tax Collection by Comptroller

Position: Support

Reason for Position:

The Maryland Municipal League supports HB 1103 with amendments, which seeks to ensure third-party online accommodation platforms are collecting and remitting the proper local taxes.

The League views this concept favorably, as local governments necessarily expend resources supporting short-term rentals within their jurisdictions via infrastructure, public safety, code compliance, and inspections. As a matter of fairness, renters should pay these taxes whether they book directly through a platform like Airbnb or a third-party platform such as Expedia.

However, we would request two amendments:

Firstly, we request to strike (D)(2) in section 20-432, which prohibits jurisdictions from applying a separate rate on short-term rentals than on other accommodations. As a matter of public policy, municipalities appreciate the discretion to say, “X has a different public impact than Y and should be treated as such.” Regulating and inspecting hotels comes with certain economies of scale that simply do not apply to short-term rentals which can be scattered throughout the jurisdiction. Furthermore, local governments must consider the impact of short-term rentals on housing, and taxation rates can be used to incentivize or discourage certain behaviors where it makes sense. Those nuanced conversations are unique to each jurisdiction.

Secondly, the League requests the Comptroller’s administrative fee be capped at 1.5%. We were recently made aware the Comptroller is already charging as much as 5% on local Admission and

Amusement collections. Ocean City advises that Worcester County is able to collect and remit on their behalf with only a 1% administrative fee.

Our understanding is that this legislation is not expected to change the way providers (like Airbnb) currently remit taxes to municipalities.

For these reasons, the Maryland Municipal League respectfully requests a ***favorable*** report on House Bill 1103 with our two amendments. For more information, please contact Justin Fiore, Deputy Director of Advocacy and Public Affairs, at justinf@mdmunicipal.org. Thank you in advance for your consideration.

The Maryland Municipal League uses its collective voice to advocate, empower and protect the interests of our 160 local governments members and elevates local leadership, delivers impactful solutions for our communities, and builds an inclusive culture for the 2 million Marylanders we serve.

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