

HOUSE BILL 1650

Q8

EMERGENCY BILL

7lr3747

By: **Delegate Lisanti**

Introduced and read first time: March 6, 2017

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Harford County – Hotel Rental Tax**

3 FOR the purpose of authorizing Harford County to impose a hotel rental tax not exceeding
4 a certain rate; requiring a hotel located in Harford County to collect the tax and file
5 a certain return and pay taxes collected on or before a certain date each month;
6 providing for the distribution of certain hotel rental tax revenue in Harford County
7 and municipalities in Harford County; providing that certain provisions relating to
8 the imposition and collection of a hotel rental tax apply in Harford County; making
9 this Act an emergency measure; and generally relating to hotel rental taxes in
10 Harford County.

11 BY repealing and reenacting, without amendments,
12 Article – Local Government
13 Section 20–401, 20–403(a), 20–406, 20–407, 20–409 through 20–415, 20–423, and
14 20–425 through 20–428
15 Annotated Code of Maryland
16 (2013 Volume and 2016 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Local Government
19 Section 20–402, 20–405, and 20–408
20 Annotated Code of Maryland
21 (2013 Volume and 2016 Supplement)

22 BY adding to
23 Article – Local Government
24 Section 20–419.5
25 Annotated Code of Maryland
26 (2013 Volume and 2016 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

Article – Local Government

20–401.

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

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

(2) “Hotel” includes:

- (i) an apartment;
- (ii) a cottage;
- (iii) a hostelry;
- (iv) an inn;
- (v) a motel;
- (vi) a rooming house; or
- (vii) a tourist home.

(c) “Hotel rental tax” means the tax on a transient charge.

(d) (1) (i) Except as provided in subparagraphs (ii), (iii), and (iv) of this
paragraph, “transient charge” means a hotel charge for sleeping accommodations for a
period not exceeding 4 consecutive months.

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

(iii) In Frederick County, “transient charge” means a hotel charge for
sleeping accommodations for a period not exceeding 90 days.

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

(2) “Transient charge” does not include any hotel charge for:

- (i) services; or

(ii) accommodations other than sleeping accommodations.

(e) “Western Maryland code county” means a code county in the Western Maryland class as established under § 9–302 of this article.

20–402.

(a) This part applies only to:

(1) subject to subsection (b) of this section, a charter county;

(2) a code county;

(3) Calvert County;

(4) Carroll County;

(5) Cecil County;

(6) Garrett County;

(7) **HARFORD COUNTY;**

(8) St. Mary’s County;

[(8)] (9) Somerset County; and

[(9)] (10) Washington County.

(b) To the extent this part conflicts with another law that applies to a charter county, the other law shall prevail over this part.

20–403.

(a) Except as provided in § 20–404 of this subtitle, a county may impose, by resolution, a hotel rental tax.

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) 7% IN HARFORD 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%.

20–406.

(a) A hotel shall:

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

(2) collect the hotel rental tax from the person who pays the transient charge.

(b) A hotel shall hold any hotel rental tax collected in trust for the county that imposes the tax until the hotel pays the tax to that county as required under this part.

20–407.

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

20–408.

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

(1) except as provided in item (2) of this section, a code county, on or before the 10th day of each month; and

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

(ii) Talbot County and Wicomico County, on or before the 20th day of each month;

(iii) a code county in the Eastern Shore class established in § 9–302 of this article, Calvert County, Carroll County, Charles County, Dorchester County, Frederick County, Garrett County, **HARFORD COUNTY**, St. Mary's County, and Somerset County, on or before the 21st day of each month; and

(iv) Washington County, on or before the 25th day of each month.

20–409.

A hotel rental tax return for a county:

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

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

(i) transient charges paid to the hotel during the prior calendar month; and

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

20–410.

A hotel shall pay to the county the hotel rental tax collected for a calendar month with the return that covers that month.

20–411.

(a) Except in Calvert County, Carroll County, Charles County, St. Mary's County, and Washington County, a hotel is allowed, for administrative costs, a discount equal to 1.5% of the gross amount of hotel rental tax collected if, on or before the due date, the hotel:

(1) files the hotel rental tax return; and

(2) pays the hotel rental tax.

(b) In Calvert County, Carroll County, Charles County, St. Mary's County, and Washington County, the county commissioners may determine whether a hotel is eligible to receive a discount.

20–412.

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

(1) are consistent with this part; and

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

20–413.

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

(b) (1) The Comptroller may charge a county a reasonable fee for the cost of providing information under this section.

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

20–414.

(a) To cover the revenue that a tax collector collects under this part, a county may increase the surety bond that the county requires for its tax collector.

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

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.

(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.

20-419.5.

HARFORD COUNTY SHALL DISTRIBUTE:

(1) 50% OF THE REVENUES ATTRIBUTABLE TO A HOTEL LOCATED IN A MUNICIPALITY TO THAT MUNICIPALITY; AND

(2) THE REMAINING BALANCE TO TOURISM-RELATED ACTIVITIES WITHIN HARFORD COUNTY AND MUNICIPALITIES IN HARFORD COUNTY.

20-423.

A county shall make the distributions required under this part between the 15th day and the 30th day of each calendar month.

20-425.

(a) If a hotel fails to pay the hotel rental tax as required under this part, the hotel shall pay interest on the unpaid tax from the date on which the hotel is required to pay the tax to the date that the tax is paid.

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

(1) for Cecil County, Dorchester County, Talbot County, Washington County, and Wicomico County, 1%; and

(2) for any other county, 0.5%.

20-426.

(a) Except in Talbot County or Wicomico County, if a hotel fails to pay the hotel rental tax to a county within 1 month after the payment is due under § 20-410 of this subtitle, the hotel shall pay a tax penalty of 10% of the unpaid tax.

(b) If a hotel fails to pay the hotel rental tax to Talbot County or Wicomico County within 120 days after the payment is due under § 20-410 of this subtitle, the hotel shall pay a tax penalty of 10% of the unpaid tax.

20-427.

(a) A county may file a civil action to collect unpaid hotel rental tax.

(b) A county may collect unpaid hotel rental tax by distraint.

(c) Except in Calvert County and St. Mary's County, unpaid hotel rental tax is:

(1) a lien against the real and personal property of the person owing the tax; and

(2) collectible in the same manner as the property tax may be collected under the Tax – Property Article.

20–428.

(a) (1) Subject to paragraph (2) of this subsection, to protect hotel rental tax revenue, a county may require a hotel to file security with the county in an amount that the county determines.

(2) Cecil County, Talbot County, and Wicomico County may require security under this section only for a hotel that has been in default.

(b) Security under this section shall be:

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

(i) authorized to do business in the State; and

(ii) approved by the Insurance Commissioner as to solvency and responsibility;

(2) cash; or

(3) security approved by the county.

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

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

(i) file the security; or

(ii) submit a written request for a hearing on the security requirement.

(d) (1) If a hearing is requested under subsection (c) of this section, the county shall hold a hearing to determine the necessity, propriety, and amount of the security.

(2) (i) The determination at the hearing is final.

1 (ii) The hotel shall comply within 15 days after the hotel receives
2 notice of the determination.

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

5 (1) apply the cash to the hotel rental tax due; or

6 (2) sell the security and apply the proceeds of the sale to the hotel rental
7 tax due.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
9 measure, is necessary for the immediate preservation of the public health or safety, has
10 been passed by a ye and nay vote supported by three-fifths of all the members elected to
11 each of the two Houses of the General Assembly, and shall take effect from the date it is
12 enacted.