

SENATE BILL 763

Q8
SB 787/24 – B&T

5lr1992
CF 5lr1993

By: **Senator McKay**

Introduced and read first time: January 27, 2025

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Garrett County – Hotel Rental Tax – Alterations**

3 FOR the purpose of altering the definition of “hotel” for purposes of the hotel rental tax in
4 Garrett County to include a transient vacation rental unit; requiring certain
5 short-term rental platforms and other persons to perform certain duties and be
6 subject to certain penalties related to the collection and remittance of the county
7 hotel rental tax; altering the rate of interest on unpaid county hotel rental tax; and
8 generally relating to the hotel rental tax in Garrett County.

9 BY repealing and reenacting, with amendments,
10 Article – Local Government
11 Section 20–401 and 20–425
12 Annotated Code of Maryland
13 (2013 Volume and 2024 Supplement)

14 BY adding to
15 Article – Local Government
16 Section 20–405.1
17 Annotated Code of Maryland
18 (2013 Volume and 2024 Supplement)

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

21 **Article – Local Government**

22 20–401.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(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.

(3) IN GARRETT COUNTY, “HOTEL” INCLUDES A TRANSIENT VACATION RENTAL UNIT.

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

(D) “SHORT-TERM RENTAL PLATFORM” MEANS A SERVICE PROVIDED ON THE INTERNET THAT ADVERTISES HOTELS AND RECEIVES COMPENSATION FOR MANAGING RESERVATIONS ON BEHALF OF THE HOTEL.

~~[(d)]~~ **(E)** (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.

(F) “TRANSIENT VACATION RENTAL UNIT” MEANS A SINGLE BUILDING THAT OFFERS COMPLETE LIVING ACCOMMODATIONS AND A MAXIMUM OF EIGHT BEDROOMS WITH A MAXIMUM OVERNIGHT OCCUPANCY OF TWO INDIVIDUALS PER ROOM AND AN ADDITIONAL FOUR INDIVIDUALS.

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

20–405.1.

IN GARRETT COUNTY, A SHORT–TERM RENTAL PLATFORM OR A MANAGER, AN AGENT, OR ANY OTHER PERSON ENGAGED BY AN OWNER OF A HOTEL TO FACILITATE RENTAL OF THE HOTEL AND TAKE PAYMENT OF A TRANSIENT CHARGE SHALL, ON BEHALF OF THE OWNER OF THE HOTEL:

(1) PERFORM ALL DUTIES RELATED TO COLLECTING AND REMITTING THE HOTEL RENTAL TAX AND PERFORM OTHER ADMINISTRATIVE FUNCTIONS REQUIRED OF A HOTEL UNDER THIS PART; AND

(2) BE SUBJECT TO PENALTIES THAT APPLY TO A HOTEL FOR FAILURE TO COMPLY WITH THIS PART.

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, **GARRETT COUNTY**, Talbot County, Washington County, and Wicomico County, 1%; and

(2) for any other county, 0.5%.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.