

HOUSE BILL 1395

Q8

3lr2308

By: **Delegates James and Glass**

Introduced and read first time: February 14, 2013

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 at a
4 certain rate within a certain area; requiring a hotel located in Harford County
5 to collect the tax and to file a certain tax return and pay taxes collected on or
6 before a certain date each month; providing that the hotel rental tax does not
7 apply to certain hotels; authorizing the governing body of Harford County to
8 provide an exemption from the hotel rental tax for transient charges paid by
9 certain organizations to provide temporary shelter for certain individuals;
10 providing for the distribution of certain hotel rental tax revenue; providing that
11 in Harford County unpaid hotel rental tax is a lien against the real and
12 personal property of the person owing the tax; altering a certain term; and
13 generally relating to a hotel rental tax in Harford County.

14 BY repealing and reenacting, with amendments,
15 Article 24 – Political Subdivisions – Miscellaneous Provisions
16 Section 9–301, 9–303, 9–310, 9–318(a), and 9–325
17 Annotated Code of Maryland
18 (2011 Replacement Volume and 2012 Supplement)

19 BY repealing and reenacting, without amendments,
20 Article 24 – Political Subdivisions – Miscellaneous Provisions
21 Section 9–302, 9–308, 9–309, 9–311, 9–314 through 9–317, 9–321 through
22 9–324, and 9–326
23 Annotated Code of Maryland
24 (2011 Replacement Volume and 2012 Supplement)

25 BY adding to
26 Article 24 – Political Subdivisions – Miscellaneous Provisions
27 Section 9–304(e), 9–305(e), and 9–318(b)(9)
28 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2011 Replacement Volume and 2012 Supplement)

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

Article 24 – Political Subdivisions – Miscellaneous Provisions

9–301.

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

(b) “Authorized county” means:

(1) A code county;

(2) Calvert County;

(3) Carroll County;

(4) Cecil County;

(5) Charles County;

(6) Dorchester County;

(7) Frederick County;

(8) Garrett County;

(9) **HARFORD COUNTY;**

(10) St. Mary’s County;

~~[(10)]~~ **(11)** Somerset County;

~~[(11)]~~ **(12)** Talbot County;

~~[(12)]~~ **(13)** Washington County; and

~~[(13)]~~ **(14)** Wicomico County.

(c) “Code county”:

(1) Means a county that has adopted home rule under Article XI–F of the Maryland Constitution; and

1 (2) Includes:

2 (i) Allegany County;

3 (ii) Caroline County;

4 (iii) Kent County;

5 (iv) Queen Anne's County; and

6 (v) Worcester County.

7 (d) (1) "Hotel" means an establishment that offers sleeping
8 accommodations for compensation.

9 (2) "Hotel" includes:

10 (i) An apartment;

11 (ii) A cottage;

12 (iii) A hostelry;

13 (iv) An inn;

14 (v) A motel;

15 (vi) A rooming house; or

16 (vii) A tourist home.

17 (e) "Hotel rental tax" means the tax authorized under this subtitle.

18 (f) (1) Except as provided in paragraphs (2) and (3) of this subsection,
19 "transient charge" means a hotel charge for sleeping accommodations for a period not
20 exceeding 4 consecutive months.

21 (2) In Frederick County, Garrett County, and Washington County,
22 "transient charge" means a hotel charge for sleeping accommodations for a period not
23 exceeding 30 days.

24 (3) In Carroll County, "transient charge" means a hotel charge for
25 sleeping accommodations for a period not exceeding 25 days.

26 (4) "Transient charge" does not include any hotel charge for services or
27 for accommodations other than sleeping accommodations.

1 9–302.

2 This subtitle allows a hotel rental tax for an authorized county.

3 9–303.

4 (a) Except as provided in [subsection (c)] **SUBSECTIONS (C) AND (D)** of this
5 section, an authorized county may impose, by resolution, a tax on a transient charge
6 paid to a hotel located in that county.

7 (b) Before Calvert County, Charles County, or St. Mary’s County imposes a
8 hotel rental tax, the governing body of the county shall hold a public hearing, which:

9 (1) Shall be advertised twice by publication in a newspaper of general
10 circulation in the county at least 10 days before the hearing; and

11 (2) May not be part of the annual budget hearing.

12 (c) (1) In this subsection, “population center” means any portion of Cecil
13 County, as specified by the Board of County Commissioners, that:

14 (i) Is not larger than 10 square miles in geographic area; and

15 (ii) Has a population of at least 6,000 residents.

16 (2) Cecil County may impose the hotel rental tax only on a transient
17 charge paid to a hotel located in a population center in the county.

18 **(D) (1) IN THIS SUBSECTION, “TRAVEL CORRIDOR” MEANS ANY**
19 **PORTION OF HARFORD COUNTY, AS SPECIFIED BY THE COUNTY COUNCIL, THAT**
20 **IS WITHIN THREE MILES OF AN INTERSTATE.**

21 **(2) HARFORD COUNTY MAY IMPOSE THE HOTEL RENTAL TAX**
22 **ONLY ON A TRANSIENT CHARGE PAID TO A HOTEL LOCATED IN A TRAVEL**
23 **CORRIDOR IN THE COUNTY.**

24 9–304.

25 **(E) THE HOTEL RENTAL TAX RATE IN HARFORD COUNTY IS 6%.**

26 9–305.

27 **(E) (1) IN HARFORD COUNTY, THE HOTEL RENTAL TAX DOES NOT**
28 **APPLY TO A HOTEL WITH 25 OR FEWER SLEEPING ROOMS.**

1 **(2) THE COUNTY COUNCIL OF HARFORD COUNTY MAY PROVIDE,**
2 **BY LAW, A TAX EXEMPTION FOR TRANSIENT CHARGES PAID BY A NONPROFIT**
3 **CHARITABLE ORGANIZATION TO A HOTEL TO PROVIDE TEMPORARY SHELTER**
4 **FOR INDIVIDUALS WHO ARE IN NEED AS A RESULT OF MISFORTUNE.**

5 9–308.

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

8 9–309.

9 (a) A hotel shall:

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

12 (2) Collect the hotel rental tax from the person who pays the transient
13 charge.

14 (b) A hotel holds hotel rental tax collected in trust for the authorized county
15 that imposes the tax until the hotel pays the tax to that county as required under this
16 subtitle.

17 9–310.

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

19 (1) Except as provided in paragraph (2) of this subsection, a code
20 county, on or before the 10th day of each month;

21 (2) (i) A code county in the Eastern Shore class established under
22 Article 25B, § 2 of the Code, on or before the 21st day of each month;

23 (ii) Calvert County, on or before the 21st day of each month;

24 (iii) Carroll County, on or before the 21st day of each month;

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

26 (v) Charles County, on or before the 21st day of each month;

27 (vi) Dorchester County, on or before the 21st day of each month;

28 (vii) Frederick County, on or before the 21st day of each month;

29 (viii) Garrett County, on or before the 21st day of each month;

1 (ix) **HARFORD COUNTY, ON OR BEFORE THE 21ST DAY OF**
 2 **EACH MONTH;**

3 **(X)** St. Mary's County, on or before the 21st day of each month;

4 ~~[(x)]~~ **(XI)** Somerset County, on or before the 21st day of each
 5 month;

6 ~~[(xi)]~~ **(XII)** Talbot County, on or before the 20th day of each
 7 month;

8 ~~[(xii)]~~ **(XIII)** Washington County, on or before the 25th day of each
 9 month; and

10 ~~[(xiii)]~~ **(XIV)** Wicomico County, on or before the 20th day of each
 11 month.

12 (b) A hotel rental tax return for an authorized county:

13 (1) Shall be made on the form that the county requires;

14 (2) Shall contain the information that the county requires, including
 15 the amount of:

16 (i) Transient charges paid to the hotel during the prior
 17 calendar month; and

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

20 9-311.

21 (a) A hotel shall pay to the authorized county that imposes the hotel rental
 22 tax the tax collected for a calendar month with the return that covers that month.

23 (b) (1) Except as provided in paragraph (2) of this subsection, a hotel is
 24 allowed, for administrative costs, a discount equal to 1.5% of the gross amount of hotel
 25 rental tax collected, if, on or before the due date, the hotel:

26 (i) Files the hotel rental tax return; and

27 (ii) Pays the hotel rental tax.

1 (2) The Commissioners of Calvert County, Carroll County, Charles
2 County, St. Mary's County, and Washington County may determine whether a hotel is
3 eligible to receive a discount.

4 9-314.

5 An authorized county shall administer the hotel rental tax for that county.

6 9-315.

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

9 (1) Are consistent with this subtitle; and

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

12 9-316.

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

15 (b) (1) The Comptroller may charge an authorized county a reasonable fee
16 for the cost of providing information.

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

19 9-317.

20 (a) To cover the revenue that a treasurer collects under this subtitle, an
21 authorized county may increase the surety bond that the county requires for its
22 treasurer.

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

26 9-318.

27 (a) Except for Talbot County, Washington County, Dorchester County,
28 Frederick County, [and] Carroll County, **AND HARFORD COUNTY**, an authorized
29 county shall distribute the hotel rental tax revenue as follows:

30 (1) From the total revenue, a reasonable sum for hotel rental tax
31 administrative costs to the general fund of the county;

1 (2) In a code county and Calvert, Cecil, Garrett, and St. Mary's
2 counties, after the distribution in item (1) of this subsection, the revenue attributable
3 to a hotel located in a municipal corporation to the municipal corporation; and

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

5 **(b) (9) HARFORD COUNTY SHALL DISTRIBUTE THE HOTEL RENTAL**
6 **TAX REVENUE TO TOURISM-RELATED ACTIVITIES WITHIN HARFORD COUNTY**
7 **AND MUNICIPALITIES IN HARFORD COUNTY.**

8 9-321.

9 (a) If a hotel fails to pay the hotel rental tax as required by this subtitle, the
10 hotel shall pay interest on the unpaid tax from the date on which the hotel is required
11 to pay the tax to the date that the tax is paid.

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

13 (1) For Cecil County, Talbot County, Washington County, Wicomico
14 County, and Dorchester County, 1%; and

15 (2) For any other authorized county, 0.5%.

16 9-322.

17 (a) If a hotel fails to pay the hotel rental tax to an authorized county, except
18 Talbot County or Wicomico County, within 1 month after the payment is due under §
19 9-311 of this subtitle, the hotel shall pay a tax penalty of 10% of the unpaid tax.

20 (b) If a hotel fails to pay the hotel rental tax to Talbot County or Wicomico
21 County within 120 days after the payment is due under § 9-311 of this subtitle, the
22 hotel shall pay a tax penalty of 10% of the unpaid tax.

23 9-323.

24 An authorized county may file a civil action to collect unpaid hotel rental tax.

25 9-324.

26 An authorized county may collect unpaid hotel rental tax by distraint.

27 9-325.

28 Unpaid hotel rental tax in a code county, Carroll County, Cecil County, Charles
29 County, Dorchester County, Frederick County, Garrett County, **HARFORD COUNTY,**

1 Somerset County, Talbot County, Washington County, and Wicomico County is a lien
2 against the real and personal property of the person owing the tax and is collectible in
3 the same manner as the property tax may be collected under the Tax – Property
4 Article.

5 9–326.

6 (a) (1) To protect hotel rental tax revenue, an authorized county may
7 require a hotel to file security with that county in an amount that the county
8 determines.

9 (2) Cecil, Talbot, and Wicomico counties may require security under
10 this section only if a hotel has been in default.

11 (b) Security under this section shall be:

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

13 (i) Authorized to do business in the State; and

14 (ii) Approved by the Insurance Commissioner as to solvency and
15 responsibility;

16 (2) Cash; or

17 (3) Securities approved by the county.

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

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

22 (1) File the security; or

23 (2) Submit a written request for a hearing on the security
24 requirement.

25 (e) (1) If a hearing is requested, the county shall hold a hearing to
26 determine the necessity, propriety, and amount of the security.

27 (2) The determination at the hearing is final, and the hotel shall
28 comply within 15 days after the hotel receives notice of the determination.

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

- 1 (1) Apply the cash to the hotel rental tax due; or
- 2 (2) Sell the security and apply the proceeds of the sale to the hotel
- 3 rental tax due.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect

5 June 1, 2013.