

# SENATE BILL 216

Q8

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CF HB 244

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By: **Senator Edwards**

Introduced and read first time: January 24, 2019

Assigned to: Budget and Taxation

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Committee Report: Favorable

Senate action: Adopted

Read second time: February 19, 2019

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

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

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

6 BY repealing and reenacting, with amendments,  
7 Article – Local Government  
8 Section 20–405 and 20–415  
9 Annotated Code of Maryland  
10 (2013 Volume and 2018 Supplement)

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

13 **Article – Local Government**

14 20–405.

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

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

18 (1) except as otherwise provided in this section, 3% in a code county;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (2) 3% in Cecil County;

2 (3) 4% in Talbot County;

3 (4) 5% in Calvert County, Carroll County, Charles County, Dorchester  
4 County, Frederick County, St. Mary's County, and Somerset County; [and]

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

6 **(6) 8% IN GARRETT COUNTY.**

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

8 (1) a code county other than a Western Maryland code county may set a  
9 hotel rental tax rate up to 5%; and

10 (2) a Western Maryland code county may set a hotel rental tax rate up to  
11 8%.

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

13 20–415.

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

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

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

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

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

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

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

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

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

8           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
9 1, 2019.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.