

HOUSE BILL 916

Q8

4lr2301
CF SB 787

By: **Delegate Hinebaugh**

Introduced and read first time: February 2, 2024

Assigned to: Ways and Means

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 and exclude certain
5 facilities; altering the definition of “transient charge” for purposes of the county hotel
6 rental tax; requiring certain short-term rental platforms and other persons to
7 perform certain duties and be subject to certain penalties related to the collection
8 and remittance of the county hotel rental tax; altering certain filing and payment
9 deadlines, the rate of interest, and penalties for nonpayment of the county hotel
10 rental tax; authorizing the county to estimate the hotel rental tax due under certain
11 circumstances; requiring a hotel to preserve and make available to the county certain
12 records; requiring a hotel to take certain actions when it ceases operation as a hotel;
13 and generally relating to the hotel rental tax in Garrett County.

14 BY repealing and reenacting, with amendments,
15 Article – Local Government
16 Section 20–401, 20–408, 20–410, 20–425, and 20–426
17 Annotated Code of Maryland
18 (2013 Volume and 2023 Supplement)

19 BY adding to
20 Article – Local Government
21 Section 20–405.1, 20–427.1, and 20–429
22 Annotated Code of Maryland
23 (2013 Volume and 2023 Supplement)

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

26 **Article – Local Government**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 20-401.

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

3 (b) (1) "Hotel" means an establishment that offers sleeping accommodations
4 for compensation.

5 (2) "Hotel" includes:

6 (i) an apartment;

7 (ii) a cottage;

8 (iii) a hostelry;

9 (iv) an inn;

10 (v) a motel;

11 (vi) a rooming house; or

12 (vii) a tourist home.

13 (3) **IN GARRETT COUNTY:**

14 (I) **"HOTEL" INCLUDES A TRANSIENT VACATION RENTAL UNIT;**

15 **AND**

16 (II) **"HOTEL" DOES NOT INCLUDE:**

17 1. **A HOSPITAL, A MEDICAL CLINIC, A NURSING HOME, A**
18 **REST HOME, A CONVALESCENT HOME, AN ASSISTED LIVING FACILITY, OR A HOME**
19 **FOR ELDERLY INDIVIDUALS; OR**

20 2. **A FACILITY THAT HAS A PRIMARY USE OTHER THAN**
21 **PROVIDING OVERNIGHT HOUSING, IF THE FACILITY IS OWNED OR LEASED BY AN**
22 **ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE**
23 **INTERNAL REVENUE CODE.**

24 (c) "Hotel rental tax" means the tax on a transient charge.

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

1 ~~[(d)]~~ **(E)** (1) (i) Except as provided in subparagraphs (ii), (iii), ~~[and]~~ (iv),
2 **AND (V)** of this paragraph, “transient charge” means a hotel charge for sleeping
3 accommodations for a period not exceeding 4 consecutive months.

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

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

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

10 **(V) IN GARRETT COUNTY, “TRANSIENT CHARGE” MEANS THE**
11 **TOTAL CHARGE FOR SLEEPING ACCOMMODATIONS FOR A PERIOD NOT EXCEEDING**
12 **30 DAYS, INCLUDING ANY SERVICE FEE, BROKER’S FEE, OR OTHER CHARGE OR FEE**
13 **IMPOSED BY A SHORT-TERM RENTAL PLATFORM OR ANY OTHER PERSON WHO**
14 **FACILITATES RENTAL OF A HOTEL AND TAKES PAYMENT OF A TRANSIENT CHARGE.**

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

16 (i) services; or

17 (ii) accommodations other than sleeping accommodations.

18 **(F) “TRANSIENT VACATION RENTAL UNIT” MEANS A SINGLE BUILDING THAT**
19 **OFFERS COMPLETE LIVING ACCOMMODATIONS AND A MAXIMUM OF FIVE BEDROOMS**
20 **WITH A MAXIMUM OCCUPANCY OF TWO INDIVIDUALS PER ROOM AND A TOTAL**
21 **MAXIMUM OCCUPANCY OF NINE.**

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

24 **20–405.1.**

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

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

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

3 20–408.

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

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

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

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

10 (iii) a code county in the Eastern Shore class established in § 9–302
11 of this article, Calvert County, Carroll County, Charles County, Dorchester County,
12 Frederick County, [Garrett County,] St. Mary’s County, and Somerset County, on or before
13 the 21st day of each month; [and]

14 (iv) Washington County, on or before the 25th day of each month;
15 **AND**

16 (v) **GARRETT COUNTY, ON OR BEFORE THE LAST DAY OF EACH**
17 **MONTH OR CALENDAR QUARTER AS PROVIDED IN § 20–410 OF THIS SUBTITLE.**

18 20–410.

19 **(A) [A] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A** hotel
20 shall pay to the county the hotel rental tax collected for a calendar month with the return
21 that covers that month.

22 **(B) IN GARRETT COUNTY, THE DIRECTOR OF FINANCE MAY, AT THE**
23 **REQUEST OF A HOTEL, ALLOW A HOTEL TO PAY TO THE COUNTY THE HOTEL RENTAL**
24 **TAX COLLECTED FOR A CALENDAR QUARTER WITH A RETURN THAT COVERS THAT**
25 **QUARTER.**

26 20–425.

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

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

1 (1) for Cecil County, Dorchester County, **GARRETT COUNTY**, Talbot
2 County, Washington County, and Wicomico County, 1%; and

3 (2) for any other county, 0.5%.

4 20-426.

5 (a) Except in Talbot County, **GARRETT COUNTY**, or Wicomico County, if a hotel
6 fails to pay the hotel rental tax to a county within 1 month after the payment is due under
7 § 20-410 of this subtitle, the hotel shall pay a tax penalty of 10% of the unpaid tax.

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

11 (c) (1) **THIS SUBSECTION APPLIES ONLY IN GARRETT COUNTY.**

12 (2) (i) **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**
13 **PARAGRAPH, IF A HOTEL FAILS TO PAY THE HOTEL RENTAL TAX ON OR BEFORE THE**
14 **DATE THAT THE PAYMENT IS DUE UNDER § 20-410 OF THIS SUBTITLE, THE HOTEL**
15 **SHALL PAY A TAX PENALTY OF 5% OF THE UNPAID TAX FOR EACH MONTH OR PART**
16 **OF A MONTH THAT THE TAX IS OVERDUE.**

17 (ii) **THE TOTAL PENALTY ASSESSED UNDER THIS PARAGRAPH**
18 **MAY NOT EXCEED 25% OF THE TAX PAYMENT DUE.**

19 (3) **A HOTEL THAT VIOLATES THIS PART SHALL PAY A PENALTY, IN**
20 **ADDITION TO ANY TAX, INTEREST, OR OTHER PENALTIES DUE, IN AN AMOUNT EQUAL**
21 **TO:**

22 (i) **FOR A FIRST VIOLATION, \$50;**

23 (ii) **FOR A SECOND VIOLATION, \$100;**

24 (iii) **FOR A THIRD VIOLATION, \$200;**

25 (iv) **FOR A FOURTH VIOLATION, \$400;**

26 (v) **FOR A FIFTH VIOLATION, \$800; AND**

27 (vi) **FOR A SIXTH VIOLATION OR SUBSEQUENT VIOLATION,**
28 **\$1,000.**

29 **20-427.1.**

1 (A) THIS SECTION APPLIES ONLY IN GARRETT COUNTY.

2 (B) IF A HOTEL FAILS TO FILE A TAX RETURN AS REQUIRED UNDER THIS
3 PART, THE DIRECTOR OF FINANCE:

4 (1) MAY ESTIMATE THE AMOUNT OF TAX DUE BASED ON A
5 REASONABLE PROJECTION OF ROOM RENTALS, CONSIDERING RENTALS REPORTED
6 BY OTHER HOTELS IN THE COUNTY FOR THE PERIOD COVERED BY THE TAX RETURN;
7 AND

8 (2) SHALL, IF ESTIMATED TAX IS ASSESSED UNDER ITEM (1) OF THIS
9 SUBSECTION, TRANSMIT NOTICE OF THE ESTIMATED TAX DUE, INCLUDING ANY
10 INTEREST OR PENALTY ASSESSED UNDER THIS PART, TO THE HOTEL.

11 (C) A HOTEL SHALL PAY THE ESTIMATED TAX, INTEREST, OR PENALTY
12 ASSESSED BY THE DIRECTOR OF FINANCE WITHIN 10 DAYS AFTER TRANSMITTAL OF
13 THE NOTICE.

14 **20-429.**

15 (A) THIS SECTION APPLIES ONLY IN GARRETT COUNTY.

16 (B) A HOTEL SHALL:

17 (1) PRESERVE ALL RECORDS NECESSARY TO DETERMINE THE
18 AMOUNT OF HOTEL RENTAL TAX DUE FOR 3 YEARS; AND

19 (2) MAKE THE RECORDS PRESERVED UNDER ITEM (1) OF THIS
20 SUBSECTION AVAILABLE FOR INSPECTION BY THE DIRECTOR OF FINANCE AT ANY
21 REASONABLE TIME.

22 (C) IMMEDIATELY ON CEASING OPERATION AS A HOTEL, A HOTEL SHALL:

23 (1) FILE A HOTEL RENTAL TAX RETURN;

24 (2) PAY ANY HOTEL RENTAL TAX DUE; AND

25 (3) NOTIFY THE DIRECTOR OF FINANCE THAT THE HOTEL IS NO
26 LONGER IN OPERATION.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
28 1, 2024.