

# SENATE BILL 131

Q7

(8lr1312)

## **ENROLLED BILL**

—Budget and Taxation / Ways and Means—

Introduced by **Senators King, Forehand, Peters, and Raskin**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

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

1 AN ACT concerning

### 2 **Municipal Corporations - Hotel Rental Tax**

3 FOR the purpose of authorizing a municipal corporation to impose a tax on certain  
4 charges for sleeping accommodations paid to hotels in the municipal  
5 corporation, subject to certain limitations; authorizing a municipal corporation  
6 to set the rate of the tax, subject to a certain limitation; authorizing a municipal  
7 corporation to provide for the administration and collection of the tax, to provide  
8 for additional exemptions from the tax, and to impose penalties for failure to  
9 collect, report, or pay the tax; *requiring a municipal corporation that imposes a*  
10 *hotel rental tax to make a certain distribution in a certain manner;* authorizing a  
11 county that has the authority to impose a hotel rental tax to impose a lower tax  
12 rate for hotels within a municipal corporation that imposes a hotel rental tax;  
13 defining certain terms; and generally relating to authorization for a municipal  
14 corporation to impose a hotel rental tax.

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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.

*Italics indicate opposite chamber / conference committee amendments.*



1 BY adding to  
2 Article 24 – Political Subdivisions – Miscellaneous Provisions  
3 Section 9–608  
4 Annotated Code of Maryland  
5 (2005 Replacement Volume and 2007 Supplement)

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

8 **Article 24 – Political Subdivisions – Miscellaneous Provisions**

9 **9–608.**

10 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
11 MEANINGS INDICATED.

12 (2) “HOTEL” HAS THE MEANING STATED IN § 9–301 OF THIS  
13 TITLE.

14 (3) “HOTEL RENTAL TAX” MEANS THE TAX AUTHORIZED UNDER  
15 THIS SECTION.

16 (4) (I) “TRANSIENT CHARGE” MEANS A HOTEL CHARGE FOR  
17 SLEEPING ACCOMMODATIONS FOR A PERIOD NOT EXCEEDING 4 CONSECUTIVE  
18 MONTHS.

19 (II) “TRANSIENT CHARGE” DOES NOT INCLUDE ANY HOTEL  
20 CHARGE FOR SERVICES OR FOR ACCOMMODATIONS OTHER THAN SLEEPING  
21 ACCOMMODATIONS.

22 (B) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION,  
23 A MUNICIPAL CORPORATION MAY IMPOSE, BY ORDINANCE OR RESOLUTION, A  
24 TAX ON A TRANSIENT CHARGE PAID TO A HOTEL LOCATED IN THAT MUNICIPAL  
25 CORPORATION.

26 (2) (I) IN THIS PARAGRAPH, “HOTEL RENTAL TAX REVENUE  
27 SHARING ARRANGEMENT” INCLUDES:

28 1. A REQUIREMENT UNDER THE PROVISIONS OF §  
29 9–318 OF THIS TITLE THAT A COUNTY DISTRIBUTE REVENUE FROM A COUNTY  
30 HOTEL RENTAL TAX TO A MUNICIPAL CORPORATION; OR

31 2. ANY OTHER HOTEL RENTAL TAX REVENUE  
32 SHARING REQUIREMENT, AGREEMENT, OR ARRANGEMENT BETWEEN A COUNTY  
33 AND A MUNICIPAL CORPORATION.

1                   (II) A MUNICIPAL CORPORATION IN A COUNTY THAT HAS A  
2 HOTEL RENTAL TAX REVENUE SHARING ARRANGEMENT BETWEEN THE  
3 MUNICIPAL CORPORATION AND THE COUNTY MAY NOT IMPOSE A HOTEL RENTAL  
4 TAX UNDER THIS SECTION.

5                   (3) A MUNICIPAL CORPORATION MAY NOT IMPOSE A TAX ON A  
6 TRANSIENT CHARGE PAID TO A HOTEL IF:

7                   (I) THE HOTEL HAS 10 OR FEWER SLEEPING ROOMS; OR

8                   (II) THE MUNICIPAL CORPORATION IS LOCATED WITHIN A  
9 COUNTY THAT:

10                   1. DISTRIBUTES AT LEAST 50% OF TOTAL HOTEL TAX  
11 REVENUES TO PROMOTE TOURISM WITHIN THE COUNTY; OR

12                   2. DOES NOT IMPOSE A TAX ON A TRANSIENT  
13 CHARGE PAID TO A HOTEL.

14                   (C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A  
15 MUNICIPAL CORPORATION SHALL SET THE RATE OF THE HOTEL RENTAL TAX.

16                   (2) THE HOTEL RENTAL TAX FOR A MUNICIPAL CORPORATION  
17 MAY NOT EXCEED 2%.

18                   (D) A MUNICIPAL CORPORATION THAT IMPOSES A HOTEL RENTAL TAX  
19 MAY:

20                   (1) PROVIDE FOR THE ADMINISTRATION AND COLLECTION OF  
21 THE TAX;

22                   (2) PROVIDE FOR ADDITIONAL EXEMPTIONS FROM THE TAX; AND

23                   (3) IMPOSE PENALTIES FOR FAILURE TO COLLECT, REPORT, OR  
24 PAY THE TAX.

25                   (E) A MUNICIPAL CORPORATION THAT IMPOSES A HOTEL RENTAL TAX  
26 UNDER THIS SECTION SHALL DISTRIBUTE TO A CONVENTION AND VISITORS  
27 BUREAU IN THE COUNTY WHERE THE MUNICIPAL CORPORATION IS LOCATED AT  
28 LEAST THE SAME PERCENTAGE OF THE HOTEL RENTAL TAX COLLECTED THAT  
29 THE COUNTY DISTRIBUTES TO THE CONVENTION AND VISITORS BUREAU FROM  
30 ANY COUNTY HOTEL RENTAL TAX.

1           ~~(E)~~ (F)           **IF A COUNTY HAS THE AUTHORITY UNDER SUBTITLE 3 OF**  
2 **THIS TITLE OR ANY OTHER PROVISION OF LAW TO IMPOSE A TAX ON TRANSIENT**  
3 **CHARGES PAID TO HOTELS, TO ACCOMMODATE A TAX IMPOSED UNDER THIS**  
4 **SECTION BY A MUNICIPAL CORPORATION THE COUNTY MAY IMPOSE A TAX RATE**  
5 **ON TRANSIENT CHARGES PAID TO HOTELS LOCATED WITHIN THE MUNICIPAL**  
6 **CORPORATION THAT IS LOWER THAN THE TAX RATE IMPOSED ON TRANSIENT**  
7 **CHARGES PAID TO HOTELS OUTSIDE THE MUNICIPAL CORPORATION.**

8           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9           October 1, 2008.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.