

HARFORD COUNTY BILL NO. 14-035

Brief Title Creation - Hotel Occupancy Tax

is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

**CERTIFIED TRUE AND CORRECT**

Mykia D. Dixon  
Council Administrator

Date January 20, 2015

**ENROLLED**

Richard C. Plutz 1/20/15  
Council President

Date January 20, 2015

**BY THE COUNCIL**

Read the third time.

Passed: LSD 15-003

Failed of Passage: \_\_\_\_\_

By Order:

Mykia D. Dixon  
Council Administrator

Sealed with the County Seal and presented to the County Executive for approval this 21<sup>st</sup> day of January, 2015 at 3:00 p.m.

Mykia D. Dixon  
Council Administrator

**BY THE EXECUTIVE**

[Signature]  
COUNTY EXECUTIVE

APPROVED: Date 1/22/2015

**BY THE COUNCIL**



This Bill No. 14-035 having been approved by the Executive and returned to the Council, becomes Law January 22, 2015.

COUNTY COUNCIL  
OF  
HARFORD COUNTY, MARYLAND

BILL NO. 14-035

Introduced by Council President Slutzky at the request of the County Executive

Legislative Day No. 14-029 Date December 9, 2014

AN ACT to add a new Article VII, Hotel Occupancy Tax, to Chapter 123, Finance and Taxation, of the Harford County Code, as amended; to create a Hotel Occupancy Tax to be collected by a hotel owner from the occupant; to require the hotel owner to register with the County Treasurer and pay the collected tax each month; to provide for distribution of a percentage of the amount to the municipal corporations with the remainder dedicated to the County for funding tourism and tourism related activities; and generally related to finance and taxation.

By the Council, December 9, 2014

Introduced, read first time, ordered posted and public hearing scheduled

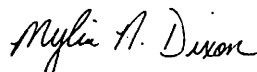
on: January 13, 2015

at: 6:30 PM

By Order: \_\_\_\_\_, Acting Council Administrator

**PUBLIC HEARING**

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on January 13, 2015 and concluded on January 13, 2015.

  
\_\_\_\_\_, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

1           WHEREAS, in 2014, the State of Maryland enacted Senate Bill 172 that authorized  
2 Harford County to impose a hotel tax; and

3           WHEREAS, the County believes it is in the best interest of its citizens to expand its  
4 tourism and tourism related activities; and

5           WHEREAS, it is more efficient and economically viable to fund these activities from a  
6 dedicated revenue source rather than from the General Fund; and

7           WHEREAS, the majority of individuals renting hotel rooms do so for the purpose of  
8 exploring and visiting the County's many and varied local attractions; and

9           WHEREAS, it is most appropriate that those individuals contribute to the promotion of  
10 tourism through payment of a dedicated hotel tax; and

11           WHEREAS, the County is committed to investing in the municipal corporations by  
12 assigning a portion of these funds for marketing grants to enhance their tourism outreach.

13           NOW, THEREFORE,

14 Section 1.     Be It Enacted By The County Council Of Harford County, Maryland that a new  
15 Article VII, Hotel Occupancy Tax, be, and is hereby, added to Chapter 123, Finance and  
16 Taxation, of the Harford County Code, as amended, to read as follows:

17 **Chapter 123. Finance and Taxation**

18 **ARTICLE VII. HOTEL OCCUPANCY TAX**

19 **§123-63. DEFINITIONS.**

20 **HOTEL** - A FACILITY THAT OFFERS SLEEPING ACCOMMODATIONS TO THE  
21 TRANSIENT PUBLIC. HOTEL ALSO INCLUDES AN INN, MOTEL, COTTAGE,  
22 HOSTELRY, ROOMING HOUSE, GUEST HOUSE, BED AND BREAKFAST OR TOURIST  
23 HOME. HOTEL DOES NOT INCLUDE A COTTAGE, HOSTELRY, ROOMING HOUSE,  
24 GUEST HOUSE, BED AND BREAKFAST OR TOURIST HOME WITH 3 OR FEWER  
25 SEPARATE SLEEPING ROOMS FOR THE LODGING OF OCCUPANTS.

1 **HOTEL OWNER OR OPERATOR** - ANY INDIVIDUAL, CORPORATION, COMPANY,  
2 ASSOCIATION, FIRM, PARTNERSHIP OR SIMILAR ENTITY WHICH OWNS OR  
3 OPERATES AN ESTABLISHMENT THAT OFFERS SLEEPING ACCOMMODATIONS  
4 FOR COMPENSATION.

5 **HOTEL RENTAL TAX** - THE TAX AUTHORIZED UNDER THIS ARTICLE VII.

6 **OCCUPANT** - A PERSON WHO USES OR OCCUPIES A ROOM IN A HOTEL.

7 **RENT** - THE CONSIDERATION PAID FOR THE USE OR OCCUPANCY OF A ROOM IN  
8 A HOTEL IN THE COUNTY. RENT INCLUDES CHARGES FOR SERVICES AND  
9 BOOKING FEES THAT ARE A CONDITION OF USE OR OCCUPANCY AND ANY  
10 AMOUNT FOR WHICH CREDIT IS ALLOWED BY THE HOTEL OWNER OR OPERATOR  
11 TO THE OCCUPANT. RENT SHALL NOT INCLUDE CHARGES FOR OPTIONAL  
12 SERVICES PROVIDED BY THE HOTEL TO THE OCCUPANT THAT ARE IN ADDITION  
13 TO THE CHARGE FOR USE OR OCCUPANCY AND THAT ARE SET FORTH  
14 SEPARATELY ON THE BILL PRESENTED TO THE OCCUPANT.

15 **TOURISM** - THE ATTRACTION OF PEOPLE TO THE COUNTY FOR SOCIAL,  
16 RECREATIONAL, CULTURAL, ENVIRONMENTAL AND ECONOMIC PURPOSES, AND  
17 THE PROMOTION OF ACTIVITIES WITHIN THE COUNTY FOR THE PEOPLE SO  
18 ATTRACTED.

19 **TOURISM-RELATED ACTIVITIES** - BUSINESS ACTIVITIES THAT SUPPORT AND  
20 PROMOTE TOURISM. TOURISM AND TOURISM-RELATED ACTIVITIES INCLUDE  
21 THE MARKETING OF THE FEATURES OF THE COUNTY AS A TRAVEL DESTINATION  
22 AND THE PROVISION OF SERVICES FOR THE PEOPLE ATTRACTED TO THE  
23 COUNTY. TOURISM AND TOURISM-RELATED ACTIVITIES INCLUDE ACTIVITIES  
24 RELATING TO SPORTS, FESTIVAL, MUSEUM, AGRICULTURE AND AGRICULTURE  
25 EXPOSITION AND FARM-TO-TABLE EXPERIENCES.

1 **TREASURER** - THE TREASURER OF HARFORD COUNTY WITH ALL THE DUTIES  
2 AND RESPONSIBILITIES AS PRESCRIBED BY LAW.

3 **§123-64. TAX LEVIED.**

4 THERE IS A HOTEL OCCUPANCY TAX LEVIED ON THE RENT PAID FOR USE OR  
5 OCCUPANCY OF A ROOM IN A HOTEL IN THE COUNTY. THE RATE OF THE TAX IS  
6 6% OF THE RENT PAID. THIS TAX SHALL NOT BE LEVIED ON USE OR OCCUPANCY  
7 EXCEEDING 30 CONSECUTIVE DAYS.

8 **§123-65. ADOPTION OF REGULATIONS.**

9 TO PROVIDE FOR ORDERLY, SYSTEMATIC AND THOROUGH ADMINISTRATION OF  
10 THE HOTEL OCCUPANCY TAX, THE TREASURER MAY ADOPT REGULATIONS NOT  
11 INCONSISTENT WITH THIS ARTICLE AND WHICH CONFORM TO THE APPLICABLE  
12 PROVISIONS AND REGULATIONS FOR THE SALES AND USE TAX AS ESTABLISHED  
13 UNDER MD. CODE ANN., TAX-GENERAL ARTICLE, TITLE 11.

14 **§123-66. REGISTRATION.**

15 A HOTEL OWNER OR OPERATOR FOR WHICH USE OR OCCUPANCY IS SUBJECT TO  
16 THE TAX LEVIED UNDER THIS ARTICLE SHALL REGISTER WITH THE TREASURER  
17 ON THE FORM PRESCRIBED BY THE TREASURER. A HOTEL OWNER OR  
18 OPERATOR THAT FAILS TO REGISTER AS REQUIRED BY THIS SECTION SHALL BE  
19 SUBJECT TO A CIVIL PENALTY IN THE AMOUNT OF \$1,000 IN ADDITION TO ANY  
20 OTHER AMOUNT OWED UNDER THIS SECTION.

21 **§123-67. IDENTIFICATION, COLLECTION AND RETURNS; TAX HELD IN TRUST.**

22 A. A HOTEL OWNER OR OPERATOR SHALL:

- 23 (1) GIVE THE PERSON WHO IS REQUIRED TO PAY THE HOTEL  
24 OCCUPANCY TAX A BILL THAT CLEARLY IDENTIFIES THE TAX AS A  
25 SEPARATE ITEM FROM ANY OTHER CHARGE.

1 (2) COLLECT THE HOTEL OCCUPANCY TAX FROM THE PERSON WHO  
2 PAYS THE RENT.

3 (3) REMIT TO THE TREASURER NO LATER THAN THE 25TH DAY OF EACH  
4 MONTH THE HOTEL OCCUPANCY TAX COLLECTED.

5 (4) AT THE TIME OF REMITTANCE, FILE WITH THE TREASURER A  
6 RETURN ON FORMS PRESCRIBED BY THE TREASURER SETTING  
7 FORTH THE AMOUNT OF THE HOTEL OCCUPANCY TAX COLLECTED  
8 DURING THE PRECEDING PERIOD, THE AMOUNT OF THE TAX  
9 REQUIRED TO BE COLLECTED IN THE PRECEDING PERIOD AND SUCH  
10 OTHER INFORMATION AS THE TREASURER MAY REQUIRE.

11 B. A HOTEL OWNER OR OPERATOR HOLDS HOTEL RENTAL TAX COLLECTED  
12 IN TRUST FOR THE COUNTY UNTIL THE HOTEL OWNER OR OPERATOR  
13 PAYS THE TAX TO THE TREASURER AS REQUIRED UNDER THIS ARTICLE.

14 C. A HOTEL OWNER OR OPERATOR THAT FAILS TO COLLECT, REMIT OR FILE  
15 A RETURN FOR THE HOTEL OCCUPANCY TAX LEVIED BY THIS ARTICLE  
16 WITHIN THE TIME PRESCRIBED SHALL BE ASSESSED THE AMOUNT OF TAX  
17 DUE, INTEREST AT THE RATE OF 0.5% FOR EACH MONTH OR FRACTION OF  
18 A MONTH PAST DUE AND A PENALTY OF 10% OF THE TAX DUE. THE  
19 INTEREST AND PENALTY SHALL BE COLLECTED AS PART OF THE TAX.  
20 UNPAID HOTEL OCCUPANCY TAX IS A LIEN AGAINST THE REAL AND  
21 PERSONAL PROPERTY OF THE HOTEL OWNER OR OPERATOR OWING THE  
22 TAX AND IS COLLECTIBLE IN THE SAME MANNER AS THE PROPERTY TAX  
23 MAY BE COLLECTED UNDER MD. CODE ANN., TAX- PROPERTY ARTICLE.

24 **§123-68. DISTRIBUTION OF REVENUE.**

1 A. 50% OF THE HOTEL OCCUPANCY TAX COLLECTED FROM A HOTEL  
2 LOCATED WITHIN THE CORPORATE LIMITS OF A MUNICIPAL  
3 CORPORATION IN THE COUNTY SHALL BE PAID OVER TO THE MAYOR AND  
4 CITY COUNCIL OF THE MUNICIPAL CORPORATION.

5 B. THE REMAINING BALANCE OF THE HOTEL OCCUPANCY TAX REVENUE  
6 SHALL BE PAID TO THE COUNTY AND DEDICATED TO FUNDING TOURISM  
7 AND TOURISM RELATED ACTIVITIES.

8 C. IF A MUNICIPAL CORPORATION IN THE COUNTY ELECTS TO LEVY AN  
9 ADDITIONAL HOTEL TAX AND CONTRACTS WITH THE COUNTY TO  
10 COLLECT THIS ADDITIONAL TAX, ADMINISTRATIVE COSTS FOR  
11 COLLECTION SHALL BE RETAINED BY THE COUNTY PRIOR TO  
12 DISTRIBUTION OF THEIR SHARE TO THE MUNICIPAL CORPORATION.

13 Section 2. And Be It Further Enacted that this Act shall take effect 60 calendar days from the  
14 date it becomes law.

EFFECTIVE: March 23, 2015

*The Council Administrator does hereby certify that fifteen (15) copies of this Bill are immediately available for distribution to the public and the press.*

  
Acting Council Administrator