

RESOLUTION NO. 882

HOTEL RENTAL TAX

WHEREAS, the 2004 Maryland General Assembly has amended Article 24 – Political Subdivisions – Miscellaneous Provisions, Section 9-301 through Section 9-326 (portions thereof) of the Annotated Code of Maryland; and

WHEREAS, this Act was for the purpose of authorizing Somerset County to impose a hotel rental tax at not more than a certain rate; requiring a hotel in Somerset County to collect the tax and to file a certain tax return and pay taxes collected on or before a certain date of each month; allowing a hotel a certain percentage discount for administrative costs under certain circumstances; authorizing the Commissioners of Somerset County to collect the taxes by suit or distraint and to adopt certain regulations necessary to administer the tax; requiring a hotel to pay interest at a certain rate and a certain penalty on overdue taxes; authorizing the Commissioners of Somerset County to increase the surety bond of the County Treasurer and to require a hotel to file certain security under certain circumstances; requiring the Comptroller to provide certain information; subject to an authorized charge; providing that unpaid hotel rental tax in Somerset County is a lien against the real and personal property of the person owing the tax; defining certain terms; and generally relating to the imposition of a hotel rental tax by Somerset County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY

COMMISSIONERS FOR SOMERSET COUNTY: That pursuant to the amendment of Article 24, Section 9-304, Somerset County is thereby authorized to set a hotel rental tax of not more than 5%, effective July 1, 2004, subject to the following terms and conditions:

SECTION I DEFINITIONS: (the following words have the meanings indicated)

“Board” means the Board of County Commissioners for Somerset County.

“County” means, as the context requires, Somerset County.

“Hotel” means an establishment that offers sleeping accommodations for compensation and “Hotel” includes: an apartment, a cottage, a hostelry, an inn, a motel, a rooming house, or a tourist home.

“Hotel Rental Tax” means the tax authorized under this Resolution.

“Transient Charge” means a hotel charge for sleeping accommodations for a period not exceeding 4 consecutive months. Transient charge does not include any hotel charge for services or for accommodations other than sleeping accommodations.

SECTION II ADMINISTRATION:

- A. The Board shall impose a tax on a transient charge paid to a hotel located in Somerset County and that tax rate shall not exceed 5%.
- B. A person shall pay the hotel rental tax to the hotel when the person pays the transient charge.
  - (1) A hotel shall:
    - (a) Give the person who is required to pay a transient charge a bill that identifies the transient charge as a separate item from any other charge; and
    - (b) Collect the hotel rental tax from the person who pays the transient charge.
  - (2) A hotel holds hotel rental tax collected in trust for Somerset County until the hotel pays the tax to Somerset County as required under this sub-title.
  - (3) A hotel shall complete, sign and file a hotel rental tax return with Somerset County on or before the 21<sup>st</sup> day of each month.
  - (4) A hotel rental tax return shall be made on the form that Somerset County requires and shall contain the information the County requires including the amount of:
    - (a) Transient charges paid to the hotel during the prior calendar month; and
    - (b) The hotel rental tax required to be collected during the prior calendar month.
  - (5) A hotel shall pay to Somerset County the tax collected for a calendar month with the return that covers that month.
  - (6) A hotel is allowed a 1.5% discount of the tax collected for administrative costs if, on or before the 21<sup>st</sup> day of each month, the hotel:
    - (a) Files the hotel rental tax return; and
    - (b) Pays the hotel rental tax.
  - (7) If a hotel fails to pay the hotel rental tax as required under this section, the hotel shall pay interest on the unpaid tax from the date on which the hotel is required to pay the tax to the date that the tax is paid. The interest rate for each month or fraction of a month is: 0.5%.
  - (8) If a hotel fails to pay the hotel rental tax to Somerset County within 1 month after the payment is due, the hotel shall pay a tax penalty of 10% of the unpaid tax.

- (9) Somerset County may file a civil action to collect unpaid hotel rental tax; may collect unpaid hotel rental tax by distraint; also, any unpaid hotel rental tax in Somerset County is a lien against the real and personal property of the person owing the tax and is collectible in the same manner as the property tax may be collected under the Tax – Property Article of the Annotated Code of Maryland.
- (10) The Comptroller of Maryland shall supply to the Board information in aid of verification of liability for the tax.
- (11) The Comptroller of Maryland may make a reasonable charge for this assistance, which shall be paid by the Board and treated as a part of the reasonable costs of collecting the tax.
- (12) Somerset County shall administer the hotel rental tax to provide for orderly, systematic and thorough administration of the hotel rental tax and may adopt regulations that are consistent with this section and conform to the applicable provisions and regulations for the sales and use tax under Title II of the Tax – General Article of the Annotated Code of Maryland.
- (13) To cover the revenue that the treasurer collects under this section, the Board may increase the surety bond required for the treasurer. The Board shall treat any additional premium due to a surety bond increase allowed under this section as a hotel rental tax administrative cost.
- (14) The Board in order to protect the revenues to be obtained may require a hotel collecting the tax to file with the Board a surety bond issued by a surety company authorized to do business in this State and approved by the State Insurance Commissioner as to solvency and responsibility, in such amount or amounts from time to time as the Board may fix to secure the payment of the tax due or which may become due from the hotel collecting the tax. If the Board determines that the hotel is to file such a bond, the Board shall give notice to the hotel to that effect specifying the amount of bond required; bond shall be filed within five (5) days after receiving the notice, unless within that period the hotel requests, in writing, a hearing before the Board, at which hearing the necessity, propriety and amount of the bond shall be determined by the Board. This determination is final and shall be

complied with within fifteen (15) days after the hotel collecting the tax receives notice thereof.

(15) In lieu of the bond required, securities approved by the Board or cash in such amount as the Board prescribes may be deposited, which shall be kept in the custody of the Board. The Board at any time without notice to the depositor of the securities or cash may apply them to any hotel rental tax due, and for that purpose the securities may be sold by the Board at public or private sale without notice to the depositor of the securities.

(16) Somerset County shall distribute the hotel rental tax revenue as follows:

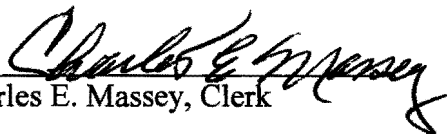
- (1) From the total revenue, a reasonable sum for hotel rental tax administrative costs to the general fund of the County; and
- (2) The remaining balance to the general fund of the County.


SECTION III – EFFECT OF ADOPTION:

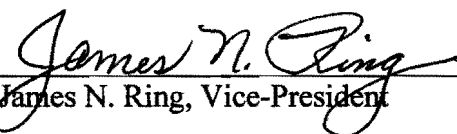
The above and preceding is adopted to have the full force and effect of law in Somerset County.


ATTEST:

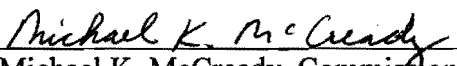
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**FILED**

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RECORDED BY 5 FOLIO 502  
I. THEODORE PHOEBUS, CLK. CL. CT.

BY 127 DEPUTY