

HOUSE BILL 1598

Q8

0lr3056

By: **Delegate Corderman**

Introduced and read first time: February 14, 2020

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of altering the hotel rental tax rate in Washington County; altering the
4 portion of hotel rental tax revenue in Washington County that is distributed to
5 certain funds for certain purposes; altering the uses of a certain special fund that
6 receives a portion of hotel rental tax revenue in Washington County; requiring a
7 certain portion of hotel rental tax revenue in Washington County to be distributed
8 to the Hagerstown/Washington County Industrial Foundation for certain purposes;
9 requiring the Hagerstown/Washington County Industrial Foundation to submit a
10 certain report to the County Commissioners of Washington County on or before a
11 certain date each year; and generally relating to the Washington County hotel rental
12 tax.

13 BY repealing and reenacting, with amendments,
14 Article – Local Government
15 Section 20–405(d) and 20–421
16 Annotated Code of Maryland
17 (2013 Volume and 2019 Supplement)

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

20 **Article – Local Government**

21 20–405.

22 (d) The hotel rental tax rate in Washington County is [6%] **\$8.50 PER ROOM**
23 **PER NIGHT.**

24 20–421.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(a) Washington County shall distribute the hotel rental tax revenue as follows:

(1) **[50%] 25%** to the general fund of the county to be used to fund the Hagerstown/Washington County Convention and Visitors Bureau; **[and]**

(2) **[the remaining balance] 25%** to a special fund to be used **[only]** to:

(i) cover costs for wages, postage, supplies, and legal fees incurred in administering the hotel rental tax;

(ii) develop tourism attractions;

(iii) enhance economic development; **[and]**

(iv) support cultural and recreational projects in Washington County; **AND**

(V) ENHANCE THE OVERALL QUALITY OF LIFE IN WASHINGTON COUNTY; AND

(3) 50% TO THE HAGERSTOWN/WASHINGTON COUNTY INDUSTRIAL FOUNDATION TO INITIATE, DEVELOP, AND COORDINATE PUBLIC OR PUBLIC-PRIVATE DEVELOPMENT PROJECTS IN WASHINGTON COUNTY THAT RELATE ONLY TO:

(I) DEVELOPING TOURISM ATTRACTIONS;

(II) ENHANCING ECONOMIC DEVELOPMENT; AND

(III) SUPPORTING CULTURAL AND RECREATIONAL PROJECTS IN WASHINGTON COUNTY.

(b) A municipality in Washington County may apply to the County Commissioners of Washington County for funding from the special fund established under subsection (a)(2) of this section for an eligible project within the municipality.

(c) Each year before adoption of its annual budget, the Hagerstown/Washington County Convention and Visitors Bureau shall hold a public hearing on the proposed annual budget.

(d) On or before November 1 of each year:

(1) the County Commissioners of Washington County shall post on the county's Web site a report on the hotel rental tax revenue collected and the use of the hotel

1 rental tax revenue for the previous fiscal year; and

2 (2) the Hagerstown/Washington County Convention and Visitors Bureau
3 shall report to the County Commissioners of Washington County on the Bureau's use of the
4 hotel rental tax revenue for the previous fiscal year.

5 **(E) ON OR BEFORE SEPTEMBER 1 EACH YEAR, BEGINNING IN 2021, THE**
6 **HAGERSTOWN/WASHINGTON COUNTY INDUSTRIAL FOUNDATION SHALL SUBMIT A**
7 **REPORT TO THE COUNTY COMMISSIONERS OF WASHINGTON COUNTY ON THE**
8 **FOUNDATION'S USE OF THE HOTEL RENTAL TAX REVENUE FOR THE PREVIOUS**
9 **FISCAL YEAR.**

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
11 1, 2020.