

ARTICLE VI: HOTEL RENTAL TAX

Section

- 1-8-161 Definitions
- 1-8-162 Tax levied
- 1-8-163 Identification and collection; tax held in trust
- 1-8-164 Filing of returns
- 1-8-165 Adoption of regulations
- 1-8-166 Distribution of revenue
- 1-8-167 Failure to pay tax; lien
- 1-8-168 Security

§ 1-8-161. DEFINITIONS.

In this article, the following words have the meanings indicated:

COUNTY. Frederick County, Maryland.

COUNTY COUNCIL. County Council of Frederick County, Maryland.

COUNTY EXECUTIVE. County Executive of Frederick County, Maryland.

COUNTY GOVERNING BODY. County Council and County Executive of Frederick County, Maryland.

DIRECTOR. The Director of Finance for Frederick County.

HOTEL. Any individual, corporation, company, association, firm, partnership or similar entity which owns or operates an establishment that offers sleeping accommodations for compensation. **HOTEL** also includes an apartment, cottage, hostelry, inn, motel, rooming house, or tourist home. **HOTEL** does not include a facility with ten or fewer sleeping rooms in its main building and no more than 20 additional sleeping rooms in auxiliary structures on the facility's property.

HOTEL RENTAL TAX. The tax authorized under this article.

TOURISM COUNCIL. The Tourism Council of Frederick County, Inc.

TRANSIENT CHARGE. A hotel charge for sleeping accommodations for a period not exceeding 90 consecutive days. The transient charge shall be measured by an individual's stay at a hotel, irrespective of who actually pays the hotel for these accommodations. **TRANSIENT CHARGE** does not include any hotel charge for services or for accommodations other than sleeping accommodations and does not include a charge for a stay if the stay exceeds 90 consecutive days.

TREASURER. The Treasurer of Frederick County with all the duties and responsibilities as prescribed by law. The Treasurer is directly responsible to the Director of Finance for Frederick County.

(Ord. 04-11-355, 7-15-2004; Ord. 06-27-423, 8-15-2006; Ord. 14-08-663, 6-19-2014; Ord. 14-23-678, 11-13-2014)

§ 1-8-162. TAX LEVIED.

A tax of 5% is hereby imposed on each transient charge paid to a hotel located in Frederick County.

(Ord. 04-11-355, 7-15-2004; Ord. 14-23-678, 11-13-2014; Bill No. 16-13, 8-30-2016)

§ 1-8-163. IDENTIFICATION AND COLLECTION; TAX HELD IN TRUST.

(A) A hotel shall:

(1) 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

(2) Collect the hotel rental tax from the person who pays the transient charge.

(B) A hotel holds hotel rental tax collected in trust for Frederick County until the hotel pays the tax to Frederick County as required under this article.

(Ord. 04-11-355, 7-15-2004; Ord. 14-23-678, 11-13-2014)

§ 1-8-164. FILING OF RETURNS.

(A) A hotel shall complete, sign and file a hotel rental tax return with the Treasurer on or before the 21st day of each month.

(B) A hotel rental tax return shall be filed on the form prescribed by the Director which shall contain all information required, including the amount of transient charges paid to the hotel during the prior calendar month and the hotel rental tax required to be collected during the prior calendar month.

(C) A hotel shall pay to the Treasurer of Frederick County the tax collected for a calendar month with the return that covers that month.

(D) A hotel may receive for administrative costs a discount equal to 1.5% of the gross amount of hotel rental tax collected if, on or before the due date, the hotel:

(1) Files the hotel rental tax return; and

(2) Pays the hotel rental tax.

(Ord. 04-11-355, 7-15-2004; Ord. 14-23-678, 11-13-2014)

§ 1-8-165. ADOPTION OF REGULATIONS.

To provide for orderly, systematic and thorough administration of the hotel rental tax, the Director may adopt regulations not inconsistent with this article and which conform to the applicable provisions and regulations for the sales and use tax as established under Md. Code Ann., Tax-General Article, Title 11.

(Ord. 04-11-355, 7-15-2004; Ord. 14-23-678, 11-13-2014)

§ 1-8-166. DISTRIBUTION OF REVENUE.

(A) Hotel rental tax revenue shall be used first to pay for hotel rental tax administrative costs of the county.

(B) The remaining balance of hotel rental tax revenue shall be paid to the Tourism Council with a portion of the balance designated by the county to be used for a visitor center.

(C) At least every 2 years the internal auditor of the county shall conduct an audit of the financial records of the Tourism Council and report the findings to the county governing body.

(Ord. 04-11-355, 7-15-2004; Ord. 14-23-678, 11-13-2014)

§ 1-8-167. FAILURE TO PAY TAX; LIEN.

(A) If a hotel fails to pay the hotel rental tax as required by this article, 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%.

(B) If a hotel fails to pay the hotel rental tax within one month after the payment is due under this article, the hotel shall pay a tax penalty of 10% of the unpaid tax.

(C) Unpaid hotel rental tax is a lien against the real and personal property of the hotel owing the tax and is collectible in the same manner as the property tax may be collected under Md. Code Ann., Tax- Property Article.

(D) Unpaid hotel rental tax may also be collected by distress. In addition, Frederick County may file a civil action to collect unpaid hotel rental tax.

(Ord. 04-11-355, 7-15-2004; Ord. 14-23-678, 11-13-2014)

§ 1-8-168. SECURITY.

(A) To protect hotel rental tax revenue, the Director may require a hotel to file security with Frederick County in such amount as the Director believes necessary. Such security shall be:

(1) A bond issued by a surety company that is authorized to do business in the state and approved by the Maryland Insurance Commissioner as to solvency and responsibility;

(2) Cash; or

(3) Securities approved by the Director.

(B) If security is required, the Director shall notify the hotel of the amount of security required. Within five days after a hotel receives notice of the required security, the hotel shall:

(1) File the security; or

(2) Submit a written request for a hearing on the security requirement.

(C) If a hearing is requested, the Director shall hold a hearing to determine the necessity, propriety, and amount of the security. The determination of the Director, acting on behalf of Frederick County, is final, and the hotel shall comply within 15 days after the hotel receives notice of the determination.

(D) Without notice to a hotel that files security as required under this article, the Director at any time may:

(1) Apply the cash to the hotel rental tax due; or

(2) Sell the security and apply the proceeds of the sale to the hotel rental tax due.

(Ord. 04-11-355, 7-15-2004; Ord. 14-23-678, 11-13-2014)