

## **ARTICLE VII Hotel Rental Tax**

### **§ 144-16. Tax imposed; effective date.**

There is hereby imposed a hotel rental tax, effective July 1, 1991, subject to the following terms and conditions.

### **§ 144-17. Definitions.**

The following words have the meanings indicated:

BOARD — The Board of County Commissioners for Dorchester County.

COUNTY — As the context requires, Dorchester County.

HOTEL — 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 — The tax authorized under this article.

TRANSIENT CHARGE — A hotel charge for sleeping accommodations for a period not exceeding four consecutive months. "Transient charge" does not include any hotel charge for services or for accommodations other than sleeping accommodations.

### **§ 144-18. Administration.**

- A. The Board shall impose a tax on a transient charge paid to a hotel located in Dorchester County and that tax rate shall be 5% of the transient charge.
- 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 Dorchester County until the hotel pays the tax to Dorchester County as required hereunder.
  - (3) A hotel shall complete, sign and file a hotel rental tax return with Dorchester County on or before the 21st day of each month.
  - (4) A hotel rental tax return shall be made on the form that Dorchester 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 Dorchester County the tax collected for a calendar month with the return that covers that month.
  - (6) A hotel is allowed a discount of 1.5% of the tax collected for administrative costs if, on or before the 21st 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 is 1%.

- (8) If a hotel fails to pay the hotel rental tax to Dorchester County within one month after the payment is due, the hotel shall pay a tax penalty of 10% on the unpaid tax.
- (9) Dorchester County may file a civil action to collect unpaid hotel rental tax by distraint; also, any unpaid hotel rental tax in Dorchester 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) Dorchester 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 11 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; the bond shall be filed within five 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 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) Dorchester County shall distribute the hotel rental tax revenue as follows:
  - (a) From the total revenue, a reasonable sum for hotel rental tax administrative costs to the general fund of the county; and
  - (b) The remaining balance to the general fund of the county.

**§ 144-19. Effect of adoption.**

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