

Expedited Bill No. 6-16  
Concerning: Taxation – Room Rental and  
Transient Tax – Definitions  
Revised: March 2, 2016 Draft No. 4  
Introduced: March 15, 2016  
Enacted: April 12, 2016  
Executive: April 20, 2016  
Effective: April 20, 2016  
Sunset Date: None  
Ch. 14, Laws of Mont. Co. 2016

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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Lead Sponsor: Council President at the request of the County Executive

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### AN EXPEDITED ACT to:

- (1) clarify the definition of broker to include entities that facilitate or arrange payment of room rental for sleeping accommodations;
- (2) clarify that service fees or broker fees charged by brokers or other entities for sleeping accommodations are within the definition of room rental for purposes of calculation of the tax; and
- (3) generally amend the room rental and transient tax.

By amending

Montgomery County Code  
Chapter 52, Taxation  
Section 52-16

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*

1           **Sec. 1. Section 52-16 is amended as follows:**

2   **52-16. Room rental and transient tax**

3   \*       \*       \*

4           (b)   The following words and phrases, when used in this Section, have the  
5               following meanings:

6               [Transient: An individual who, for any period of 30 or fewer consecutive  
7               days, actually occupies a sleeping accommodation.]

8               *Broker*[: A] means a person, other than the owner or operator of a hotel  
9               or motel, that receives, facilitates or arranges payment, directly,  
10              indirectly, or through an online platform, for hotel or motel  
11              accommodations from a transient who is subject to the tax under  
12              subsection (a).

13              *Director* means the Director of Finance or the Director's designee.

14              *Hotel or motel* means[: (1) Any] any hotel, inn, hostelry, tourist home or  
15              house, motel, apartment hotel, rooming house, dwelling unit or other  
16              lodging place that offers for compensation sleeping accommodations in  
17              the County. [(2)] A hotel or motel does not include:

18              (1)   [(A)] a hospital, medical clinic, nursing home, rest home,  
19                    convalescent home, assisted living facility, or home for elderly  
20                    individuals; or

21              (2)   [(B)] a facility owned or leased by an organization that is exempt  
22                    from taxation under section 501(c)(3) of the Internal Revenue  
23                    Code if the primary use of the facility is other than housing  
24                    overnight guests.

25              *Hotelkeeper*[: A] means a person that:

- 26              (1)   owns or operates a hotel or motel; or  
27              (2)   acts as a broker.

28 *Room rental*]: The] means the total charge required to be paid by a  
29 transient for a sleeping accommodation. Room rental includes any  
30 service fee, broker's fee, or other charge or fee required to be paid by the  
31 transient regardless of what the charge is called or how the charge is  
32 designated. Room rental does not include any optional charge for  
33 services in addition to the charge for use of sleeping space, such as Wi-  
34 Fi access, food, beverage, movie rental, or fitness center access. The  
35 portion of the total charge, if any, that represents a charge other than room  
36 rental must be separately billed.

37 *Transient* means an individual who, for any period of 30 or fewer  
38 consecutive days, actually occupies a sleeping accommodation.

39 [Director: Director of Finance or the Director's designee.]

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41 **Sec. 2. Expedited Effective Date:** The Council declares that this legislation is  
42 necessary for the immediate protection of the public interest. This Act takes effect on  
43 the date on which it becomes law.

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46 *Approved:*

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*Nancy Floreen*

*April 13, 2016*

Nancy Floreen, President, County Council

Date

49 *Approved:*

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*Isiah Leggett*  
Isiah Leggett, County Executive

*April 20, 2016*

Date

51 *This is a correct copy of Council action.*

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*Linda M. Lauer*

*April 20, 2016*

Linda M. Lauer, Clerk of the Council

Date