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**

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

**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

**Boldface** *Heading or defined term.*

Underlining *Added to existing law by original bill.*

**[**Single boldface brackets**]** *Deleted from existing law by original bill.*

Double underlining *Added by amendment.*

**[[**Double boldface brackets**]]** *Deleted from existing law or the bill by amendment.*

\* \* \* *Existing law unaffected by bill.*

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

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

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

\* \* \*

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

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

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

*Director* means the Director of Finance or the Director’s designee.

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

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

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

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

(1) owns or operates a hotel or motel; or

(2) acts as a broker.

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

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

**[**Director: Director of Finance or the Director’s designee.**]**

\* \* \*

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

*Approved:*

/s/ 4/13/16

Nancy Floreen, President, County Council Date

*Approved:*

/s/ 4/20/16

Isiah Leggett, County Executive Date

*This is a correct copy of Council action.*

/s/ 4/20/16

Linda M. Lauer, Clerk of the Council Date