

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: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

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	<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.]

40 * * *

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.
44

45

46 *Approved:*

47

48 *Nancy Floreen*
Nancy Floreen, President, County Council

April 13, 2016
Date

49 *Approved:*

50

Isiah Leggett, County Executive

Date

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

52

Linda M. Lauer, Clerk of the Council

Date