

Ordinance No. 23-18

ORDINANCE: To amend Chapter 22, "Taxation", Article VII "Hotel Rental Tax," Section 22-83, "Exemptions" so as to provide an exemption from the Hotel Rental Tax on a room rental occupied by a Foreign Government Official with a valid Exemption Card issued by the U.S.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF ROCKVILLE,
MARYLAND, as follows:

SECTION 1. That Chapter 22, "Taxation," Article VII, "Hotel Rental Tax," Section 22-83 "Exemptions" of the Rockville City Code be amended to read as follows:

Chapter 22. TAXATION

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ARTICLE VII. HOTEL RENTAL TAX

Sec. 22-80. Definitions

The following words and phrases when used in this Article have the following meanings:

(1) *Transient*: Any person who actually occupies sleeping accommodations in any hotel providing sleeping accommodations for which a transient charge is made.

(2) *Hotel*: Any public or private hotel, inn, hostelry, tourist home or house, motel, cottage, apartment, rooming house or other lodging place within the City, offering sleeping accommodations for ten (10) or more persons at any one time, that for compensation furnishes sleeping accommodations to any transient as defined in paragraph (1) of this subsection.

(3) *Room rental*: The total charge made by any hotel for sleeping accommodations or space furnished any transient for a period not exceeding four (4) consecutive months. It does not include any hotel charge for services or for accommodations other than sleeping accommodations. If the charge made by a hotel includes any charge for services or accommodations in addition to that for the use of sleeping space, then the portion of the total charge as represents only room rental shall be distinctly set out and billed by the hotel as a separate item.

(4) *Director*: Director of Finance or designee.

Sec. 22-81. Levy

(a) There is levied and imposed on each and every transient a tax at the rate of two percent (2%) of the total amount paid for room rental to any hotel, by or for a transient, for sleeping accommodations.

(b) Every hotel receiving any payment for room rental with respect to which tax is levied shall collect the amount of tax imposed by this Article at the time payment for the room rental is made. The taxes required to be collected by this Article shall be deemed to be held in trust by the hotel required to collect the tax until remitted as required by this Article.

(c) Whenever any hotel required to collect and pay to the City a tax under this Article shall cease doing business or otherwise dispose of its business, any tax payable under this Article to the City shall become immediately due and payable and the hotel shall immediately make a report and pay the tax due.

Sec. 22-82. Reports, records

(a) The hotel collecting the tax shall submit a report upon the forms and set forth the information as the Director may prescribe and require, showing the amount of room rental charges collected, and the tax required to be collected, and shall sign and deliver the same to the Director with a remittance of the tax. The reports and remittances shall be made on or before the last day of each month covering the amount of tax collected during the preceding month.

(b) It shall be the duty of every hotel liable for the collection and payment to the City of any tax imposed by this Article to keep and preserve, for a period of three (3) years, such records as may be necessary to determine the amount of the tax as the hotel may have been liable for the collection of and payment to the City, which records the Director shall have the right to inspect at all reasonable times.

Sec. 22-83. Exemptions

(a) No tax shall be payable under this Article on a room rental:

(1) In any hospital, medical clinic, nursing home, rest home, convalescent home, or home for aged persons;

(2) From a private nonprofit educational organization that:

a. Is not organized or operated for the purpose of carrying on or promoting a trade, business, or religious philosophy; but

b. Principally houses groups of young people exclusively for the purpose of developing leadership and citizenship skills and promotion of the general public welfare; or

(3) From a nonprofit charitable, religious, educational, recreational or literary organization, other than a country club, when the primary use of the facility is other than housing overnight guests.

(4) Occupied by a foreign government official, provided that a valid exemption card issued by the U.S. Department of State is presented to the hotel.

Sec. 22-84. Violation; interest, penalties

(a) If any hotel shall fail or refuse to remit to the Director the tax required to be collected and paid by this Article or to make a proper report to the Director, within the time and in the amount specified by this Article, there shall be added to the tax by the Director interest at the rate of one (1) percent per month on the amount of the tax for each month or portion of a month from the date upon which the tax is due, and there shall be added to the tax by the Director a penalty of five (5) percent of the amount of the tax per month or portion of a month, not to exceed a total of twenty-five (25) percent of the tax.

(b) If any hotel shall fail or refuse to collect the tax and to make, within the time provided by this Article, any report and remittance required by this Article, the Director shall proceed in a manner as he or she may deem best to obtain facts and information on which to base his estimate of the tax due. As soon as the Director shall procure the facts and information as the Director is able to obtain upon which to base the assessment of any tax payable by any hotel that has failed or refused to collect the same and to make the report and remittance, the Director shall proceed to determine and assess against the hotel the tax, interest and penalties provided for by this Article and shall notify the hotel by mail sent to its last known place of address of the total amount of the tax and interest and penalties, and that total amount shall be payable within ten (10) days from the date of the notice.

(c) It shall be the duty of the Director to ascertain the name of every hotel providing sleeping accommodations in the City, liable for the collection of the tax levied under this Article that fails, refuses or neglects to collect the tax or to make, within the time provided by this Article, the reports or remittances required by this Article.

(d) Any hotel or transient violating or failing to comply with any of the provisions of this Article shall be subject to punishment for a municipal infraction. Each violation shall constitute a separate offense. A conviction shall not relieve any hotel or transient from the payment, collection or remittance of the tax, interest and penalties.

Sec. 22-85. Payment by City to Montgomery County Conference and Visitors Bureau

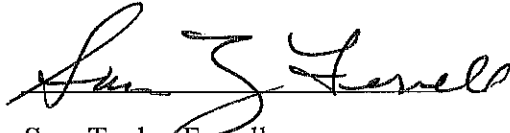
The City shall distribute three and one-half percent (3.5%) of the hotel rental tax collected by the City to the Conference and Visitors Bureau in Montgomery County.

SECTION 2. That the amended provisions will become effective on January 1, 2019.

NOTE: Underlining indicates material added
Asterisks * * * indicate material unchanged by this ordinance.

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I hereby certify that the foregoing is a true and correct
copy of an ordinance adopted by the Mayor and
Council at its meeting of December, 10, 2018.

A handwritten signature in black ink, appearing to read "Sara Taylor-Ferrell", written over a horizontal line.

Sara Taylor-Ferrell
City Clerk/Director of Council Operations