



LEGISLATIVE SUMMARY

To: All Councilmembers of the Anne Arundel County Council

From: Linda M. Schuett, Legislative Counsel

Date: November 18, 2019

Subject: Bill No. 88-19

Bill No. 88-19 makes the following changes to existing law:

1. The name of the tax is changed from the “hotel occupancy tax” to “use or occupancy tax.” A “hotel” is currently defined to include many uses that are not perceived by the general public to be “hotels,” making the name of the tax misleading. Furthermore, the tax is designed to cover “use or occupancy” in any facility that offers sleeping accommodations to the transient public. Calling the tax a use or occupancy tax is a more accurate description.

2. The definition of “hotel” is repealed and, with one exception, the word is deleted throughout.

3. A definition of “short-term rental” is added. The definition provides that a short-term rental is a facility that offers sleeping accommodations to the transient public for a fee, including a hotel, motel, inn, bed and breakfast home, bed and breakfast inn, rooming house, and short-term residential rental. The definition of “short-term rental” changes existing law in the following ways:

- First, it adds that a facility which offers sleeping accommodations to the transient public does so “for a fee.” This change follows actual practice and, in addition, excludes transient occupancy in, for example, a homeless shelter.
- Second, existing law does not tax occupancy in bed and breakfast homes, rooming or guest houses, or tourist homes that have “fewer than three bedrooms.” This is repealed, thereby imposing the use or occupancy tax without reference to the number of bedrooms contained in the facility.

- Third, “rooming or guest house” is changed to “rooming house,” a defined term in the Code. The reference to a “guest house” is deleted because guest houses as accessory structures are prohibited by § 18-4-106 of the Code.
- Fourth, “tourist home” is repealed. There is no definition of a “tourist home” in the Code, and the term is not used anywhere in the Code other than here. Furthermore, the definition of “short-term rental” is sufficiently broad to cover any such use.
- Fifth, the term “short-term residential rentals” is added. The use is already covered by existing language because the tax applies to any facility that offers sleeping accommodations to the transient public. The express addition of “short-term residential rentals” makes this clear.

4. The term “room remarketer” is changed to “remarketer” so as to eliminate the notion that a “room” is the only type of space covered by this section. Short-term residential rentals cover “dwelling units,” and a dwelling unit is more than just a “room.”

5. A definition for “short-term residential rentals” is added. The definition provides that a “short-term residential rental” is the use or occupancy, in exchange for a fee, of all or part of a dwelling unit to provide accommodations to transient guests for no more than 120 consecutive days in a calendar year.

6. An existing exemption from the tax applies to rent paid for occupancy for 90 or more consecutive days (though the exemption does not apply when a remarketer is involved). This 90-day period is changed to 120 days to conform to the definition of “short-term residential rentals.”