

THE COUNTY COMMISSIONERS OF KENT COUNTY, MARYLAND

March 5, 2024
Legislative Session Day

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Legislative Session Day

March 5, 2024

CODE HOME RULE
BILL No. 3-2024

KENT COUNTY

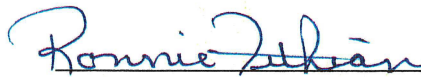
INTRODUCED BY: Ronald H. Fithian, President of the Board of County Commissioners for Kent County, Maryland.

AN ACT concerning Chapter 152 Taxation, Article III Hotel Rental Tax.

FOR the purpose of ensuring equal treatment of all transient lodging including short-term rentals.

BY repealing Chapter 152 Taxation, Article III Hotel Rental Tax, and reenacting with amendments Chapter 152 Taxation, Article III Short-Term Rental Tax herein.

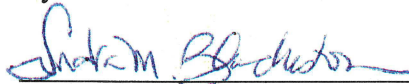
THE COUNTY COMMISSIONERS OF KENT COUNTY



Ronald H. Fithian, President

INTRODUCED, read first time, March 5, 2024, ordered posted and public hearing scheduled on March 26, 2024, at 10:00 a.m. in the County Commissioners Hearing Room, R. Clayton Mitchell, Jr., Kent County Government Center, 400 High Street, Chestertown, Maryland.

By Order of:



Sondra M. Blackiston, Clerk

PUBLIC HEARING

HAVING been posted and notice of time and place of hearing and copies having been made available to the public and the press, a public hearing was held on March 26, 2024. Reported favorably [with] [without] amendments; read second time and ordered to be considered on April 2, 2024, a legislative session day.

A BILL ENTITLED CHR 3-2024 SHORT-TERM RENTAL TAX

SECTION 1. NOW THEREFORE BE IT ENACTED BY THE COUNTY COMMISSIONERS OF KENT COUNTY, MARYLAND that Chapter 152, Taxation is hereby amended by repealing Chapter 152 Taxation, Article III Hotel Rental Tax, and reenacting with amendments Chapter 152 Taxation, Article III Short-Term Rental Tax herein.

ARTICLE III
Hotel SHORT-TERM Rental Tax

§ 152-16 Establishment AND DEFINITIONS.

The Board of County Commissioners may impose, by resolution, a tax on a transient charge paid to a ~~hotel~~ **SHORT-TERM RENTAL** located in Kent County as authorized by and consistent with the provisions of the Annotated Code of Maryland, ~~Article 24, Title 9, Subtitle 3, Part I LOCAL GOVERNMENT~~ **ARTICLE § 20-403.**

AS USED IN THIS ARTICLE, THE FOLLOWING WORDS HAVE THE MEANING INDICATED:

A. “SHORT-TERM RENTAL” MEANS AN ESTABLISHMENT THAT OFFERS SLEEPING ACCOMMODATIONS FOR COMPENSATION AS DEFINED IN THE ANNOTATED CODE OF MARYLAND, LOCAL GOVERNMENT ARTICLE § 20-401 AND 152-16 OF THIS CODE.

1. “SHORT-TERM RENTAL” INCLUDES, BUT IS NOT LIMITED TO:

- (A) AN APARTMENT;**
- (B) A COTTAGE;**
- (C) A HOSTELRY;**
- (D) A HOTEL**
- (E) AN INN;**
- (F) A MOTEL;**
- (G) A ROOMING HOUSE;**
- (H) A TOURIST HOME;**
- (I) A RESIDENTIAL RENTAL, INCLUDING THOSE FACILITATED BY A HOSTING PLATFORM OR BOOKING SERVICE, OR**
- (J) AN OUTDOOR RETREAT**

B. “SHORT-TERM RENTAL TAX” MEANS A TAX ON A TRANSIENT CHARGE.

- C. **“TRANSIENT CHARGE” MEANS A CHARGE FOR SLEEPING ACCOMMODATIONS FOR A PERIOD NOT EXCEEDING 4 CONSECUTIVE MONTHS BUT DOES NOT INCLUDE ANY CHARGE FOR SERVICES OR ACCOMMODATIONS OTHER THAN SLEEPING ACCOMMODATIONS.**
- D. **“OWNER OR OPERATOR” MEANS A PERSON WHO POSSESSES OR HAS AN OWNERSHIP INTEREST IN A SHORT-TERM RENTAL OR IS ENGAGED IN THE BUSINESS OF OPERATING SHORT-TERM RENTALS.**
- E. **“COLLECTING AUTHORITY” MEANS THE COUNTY CHIEF FINANCE OFFICER.**
- F. **“COUNTY” MEANS KENT COUNTY, MARYLAND, OR THE COUNTY COMMISSIONERS OF KENT COUNTY, MARYLAND.**

§ 152-17 Payment; collection; ~~distribution~~ RETURN.

~~The procedures set forth in § 9-301 et seq of Article 24 of the Annotated Code of Maryland shall be followed. These provisions control the payment, collection, and the distribution of the taxes so collected.~~

THE FOLLOWING PROCEDURES CONSISTENT WITH § 20-406 *ET SEQ.* OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND SHALL BE FOLLOWED.

- A. **THE SHORT-TERM RENTAL, OWNER, OR OPERATOR SHALL GIVE A PERSON WHO IS REQUIRED TO PAY A TRANSIENT CHARGE A BILL THAT IDENTIFIES THE TRANSIENT CHARGE AS A SEPARATE ITEM FROM ANY OTHER CHARGE AND COLLECT THE SHORT-TERM RENTAL TAX FROM THE PERSON WHO PAYS THE TRANSIENT CHARGE.**
- B. **A PERSON SHALL PAY THE SHORT-TERM RENTAL TAX TO THE SHORT-TERM RENTAL, OWNER, OR OPERATOR WHEN THE PERSON PAYS THE TRANSIENT CHARGE.**
- C. **THE SHORT-TERM RENTAL TAX SHALL BE HELD IN TRUST BY THE SHORT-TERM RENTAL, OWNER, OR OPERATOR UNTIL REMITTED TO THE COUNTY AS REQUIRED BY THIS ARTICLE.**
- D. **A SHORT-TERM RENTAL, OWNER, OR OPERATOR SHALL COMPLETE, SIGN, AND FILE A SHORT-TERM RENTAL TAX REPORT, ON THE FORM AND IN THE MANNER THE COUNTY REQUIRES AND REMIT THE FULL TAX DUE ON OR BEFORE THE 21ST DAY OF EACH MONTH FOR THE PRECEDING MONTH.**

E. THE REMITTER OF THE SHORT-TERM RENTAL TAX, FOR ADMINISTRATIVE COSTS, MAY RETAIN 1.5% OF THE GROSS AMOUNT OF SHORT-TERM RENTAL TAX COLLECTED IF, ON OR BEFORE THE DUE DATE, THE SHORT-TERM RENTAL:

- 1. FILES A COMPLETED SHORT-TERM RENTAL TAX REPORT; AND**
- 2. PAYS THE SHORT-TERM RENTAL TAX TO THE COUNTY.**

F. IF A SHORT-TERM RENTAL, OWNER, OR OPERATOR FAILS TO PAY THE SHORT-TERM RENTAL TAX AS REQUIRED ABOVE, THE SHORT-TERM RENTAL, OWNER, OR OPERATOR SHALL PAY 0.5% INTEREST ON THE UNPAID TAX FROM THE DATE WHICH THE TAX WAS DUE UNTIL THE DATE THE TAX IS PAID.

G. IF A SHORT-TERM RENTAL, OWNER, OR OPERATOR FAILS TO PAY THE SHORT-TERM RENTAL TAX WITHIN 1 MONTH AFTER THE PAYMENT IS DUE, THE SHORT-TERM RENTAL, OWNER, OR OPERATOR SHALL PAY A TAX PENALTY OF 10% OF THE UNPAID TAX.

§ 152-18 ~~Disposition of revenue~~ DISTRIBUTION AND OTHER REGULATIONS.

~~All revenue generated to the county by this tax is to be used exclusively for economic development and tourism efforts on behalf of Kent County.~~

A. ALL REVENUE GENERATED BY THE SHORT-TERM RENTAL TAX SHALL BE DISTRIBUTED BY THE 30TH DAY OF THE CALENDAR MONTH AS FOLLOWS:

1. FOR A SHORT-TERM RENTAL PROPERTY LOCATED IN A MUNICIPALITY:

(A) 10% TO THE GENERAL FUND OF THE COUNTY FOR THE ADMINISTRATIVE COSTS OF COLLECTION OF THE TAX; AND

(B) 90% TO THE MUNICIPALITY IN WHICH THE SHORT-TERM RENTAL PROPERTY IS LOCATED.

2. FOR A SHORT-TERM RENTAL PROPERTY LOCATED OUTSIDE OF THE CORPORATE BOUNDARIES OF A MUNICIPALITY: 100% TO THE GENERAL FUND OF THE COUNTY.

B. THE COUNTY COMMISSIONERS MAY ADOPT REGULATIONS CONSISTENT WITH TITLE 20 OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AND TITLE 11 OF THE TAX-GENERAL ARTICLE OF THE ANNOTATED CODE OF MARYLAND, TO PROVIDE ORDERLY, SYSTEMATIC, AND THOROUGH ADMINISTRATION OF THE SHORT-TERM RENTAL TAX.

C. SHORT-TERM RENTALS AS DEFINED ABOVE IN § 152-16 A. 1., SHALL BE IN COMPLIANCE WITH ALL COUNTY AND MUNICIPAL REGULATIONS, LICENSING, AND ORDINANCES, WHERE APPLICABLE, TO INCLUDE BUT NOT LIMITED TO MEMORANDUMS OF UNDERSTANDING, FEE STRUCTURES, ADOPTED REGULATIONS, AND LAND USE ORDINANCE(S).

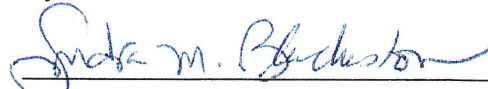
SECTION 2. BE IT FURTHER ENACTED by the County Commissioners of Kent County that this Act shall take effect on the **1st day of July 2024.**

Read Third Time April 2, 2024.

PASSED this 2nd day of April, 2024.

Failed of Passage _____.

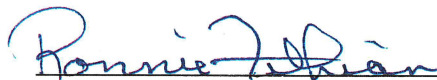
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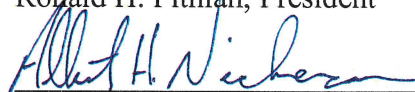

Sondra M. Blackiston, Clerk

(SEAL)



THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND


Ronald H. Fithian, President


Albert H. Nickerson, Member


John F. Price, Member

ORDERED a fair summary thereof or the entire bill shall be published in at least one newspaper of general circulation in the County, not less than three times at weekly intervals within a four-week period.