

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1355 Session of
1981

INTRODUCED BY DAWIDA, POTT AND SEVENTY, APRIL 29, 1981

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, APRIL 29, 1981

AN ACT

1 Amending the act of July 28, 1953 (P.L.723, No.230), entitled,
2 as amended, "An act relating to counties of the second class
3 and second class A; amending, revising, consolidating and
4 changing the laws relating thereto," increasing the hotel
5 room rental tax and providing for its permanency.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Section 1970.2, act of July 28, 1953 (P.L.723,
9 No.230), known as the "Second Class County Code," added December
10 16, 1977 (P.L.323, No.94), is amended to read:

11 Section 1970.2. Hotel Room Rental.--(a) The following words
12 and phrases when used in this section shall have, unless the
13 context clearly indicates otherwise, the meanings ascribed to
14 them in this section:

15 "Consideration," receipts, fees, charges, rentals, leases,
16 cash, credits, property of any kind or nature, or other payment
17 received by operators in exchange for or in consideration of the
18 use or occupancy by a transient of a room or rooms in a hotel
19 for any temporary period.

1 "Convention center or exhibition hall," a building or series
2 of buildings together with any land appurtenant thereto, the
3 main function of which is to house meetings, exhibitions, shows,
4 conventions, assemblies, convocations, and similar gatherings.

5 "Cooperating political subdivision or agency of government,"
6 any city or public authority located in such county within whose
7 boundaries a convention center or exhibition hall is planned or
8 constructed which shares with the county any duties, obligations
9 or privileges with respect to the convention center situated
10 therein.

11 "Hotel," a hotel, motel, inn, guest house, or other building
12 located within the taxing jurisdiction which holds itself out by
13 any means including advertising, license, registration with any
14 innkeeper's group, convention listing association, travel
15 publication or similar association or with any government agency
16 as being available to provide overnight lodging or use of
17 facility space for consideration to persons seeking temporary
18 accommodation; any place which advertises to the public at large
19 or any segment thereof that it will provide beds, sanitary
20 facilities or other space for a temporary period to members of
21 the public at large; any place recognized as a hostelry:

22 Provided, That portions of such facility which are devoted to
23 persons who have established permanent residence shall not be
24 included in this definition.

25 "Occupancy," the use or possession or the right to the use or
26 possession by any person other than a permanent resident of any
27 room in a hotel for any purpose or the right to the use or
28 possession of the furnishings or to the services accompanying
29 the use and possession of the room.

30 "Operator," any individual, partnership, nonprofit or profit-

1 making association or corporation or other person or group of
2 persons who maintain, operate, manage, own, have custody of, or
3 otherwise possess the right to rent or lease overnight
4 accommodations in any hotel to the public for consideration.

5 "Operating deficit," the excess of expenses over receipts
6 from the operation and management of a convention center or
7 exhibition hall.

8 "Patron," any person who pays the consideration for the
9 occupancy of a room or rooms in a hotel.

10 "Permanent resident," any person who has occupied or has the
11 right to occupancy of any room or rooms in a hotel as a patron
12 or otherwise for a period exceeding thirty (30) consecutive
13 days.

14 "Room," a space in a hotel set aside for use and occupancy by
15 patrons, or otherwise, for consideration, having at least one
16 bed or other sleeping accommodation provided therein.

17 "Temporary," a period of time not exceeding thirty (30)
18 consecutive days.

19 "Transaction," the activity involving the obtaining by a
20 transient or patron of the use or occupancy of a hotel room from
21 which consideration emanates to the operator under an express or
22 an implied contract.

23 "Transient," any individual who obtains accommodation in any
24 hotel for himself by means of registering at the facility for
25 the temporary occupancy of any room for the personal use of that
26 individual by paying to the operator of the facility a fee in
27 consideration therefor.

28 (b) The county commissioners in each county of the second
29 class are hereby authorized to impose an excise tax not to
30 exceed [one per centum (1%)] two per centum (2%) on the

1 consideration received by each operator of a hotel within the
2 county from each transaction of renting a room or rooms to
3 accommodate transients. The tax shall be collected by the
4 operator from the patron of the room and paid over to the county
5 as herein provided.

6 (c) The treasurer of each county electing to impose the tax
7 authorized under this section is hereby directed to collect the
8 tax and to deposit the revenues received from the tax in a
9 special fund established solely for purposes of a convention
10 center or exhibition hall. The treasurer is hereby authorized to
11 establish rules and regulations concerning the collection of the
12 tax.

13 (d) Expenditures from the fund established pursuant to
14 subsection (c) shall be used for all purposes which a public
15 authority may determine to be reasonably necessary to the
16 support, operation and maintenance of a convention center or
17 exhibition hall, including but not limited to the following:

18 (1) precompletion advertising and publicizing of any
19 convention center or exhibition hall;

20 (2) promoting and attracting conventions, exhibitions
21 and other functions to utilize the convention center or
22 exhibition hall;

23 (3) promoting and otherwise encouraging the use of the
24 premises by the public as a whole, or any segment thereof;

25 (4) operating, furnishing and otherwise maintaining and
26 equipping the premises and realty appurtenant thereto;

27 (5) furnishing and equipping the building and grounds.

28 It is the intention of this section that the receipts from any
29 tax imposed pursuant to the provisions of this act be used to
30 offset the entire operating deficit, if any, of any convention

1 center or exhibition hall including, equally, shares of any
2 cooperating political subdivision or agency of government
3 incurred pursuant to any agreement presently existing or
4 executed hereafter. The operating deficit shall be determined by
5 any public authority which is the designated operating agency of
6 any convention center or exhibition hall.

7 (e) [The provisions of this section shall remain in force
8 from year to year until December 31, 1983, at which time such
9 provisions shall terminate without further action on the part of
10 the county commissioners.] Revenues in excess of amounts needed
11 to offset operating deficits shall be determined by the public
12 authority and may be accumulated, and any revenues may be used
13 to provide part or all of any annual payment to be paid by a
14 county or a political subdivision under any agreement with any
15 public authority created under the act of July 29, 1953
16 (P.L.1034, No.270), known as the "Public Auditorium Authorities
17 Law," which has been designated as the operating agency for a
18 convention center or exhibition hall in support of bonds issued
19 by the public authority; or to effect necessary expansion or
20 further capital improvements, within the discretion of the
21 cooperating political subdivisions and the public authority.

22 (f) Each tax year for any tax imposed hereunder shall run
23 concurrently with the calendar year.

24 Section 2. This act shall take effect in 60 days.