

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 116 Session of 2005

INTRODUCED BY LOGAN, COSTA AND KITCHEN, JANUARY 31, 2005

REFERRED TO FINANCE, JANUARY 31, 2005

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," further providing for
5 hotel room rental.

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

8 Section 1. Section 1970.2(b.1) of the act of July 28, 1953
9 (P.L.723, No.230), known as the Second Class County Code,
10 amended December 21, 1998 (P.L.1088, No.146), is amended and
11 subsection (a) is amended by adding a definition to read:

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

16 * * *

17 "Convention center hotel." a hotel physically connected to a
18 convention center and located on property owned by a public
19 authority formed under Article XXV-A that operates a convention

1 center that contains a minimum of two hundred fifty thousand
2 (250,000) square feet of exhibit space.

3 * * *

4 (b.1) The treasurer of each county of the second class
5 electing to impose the tax authorized under this section is
6 hereby directed to collect the tax and to deposit the revenues
7 received from the tax in a special fund. The revenues shall be
8 distributed by the county commissioners as follows:

9 (1) Two-fifths (2/5) of all revenues received by the
10 county from the excise tax shall be distributed to a tourist
11 promotion agency pursuant to section 2199.14.

12 (2) One-third (1/3) of the five per centum (5%) excise
13 tax collected by hotels within a municipality wherein a
14 convention center or exhibition hall is located (less the
15 cost of collecting the tax) shall, at the request of such
16 municipality, be returned to that municipality wherein such
17 convention center or exhibition hall is located, for deposit
18 in that municipality's special fund established solely for
19 purposes of paying for promotional programs implemented by a
20 nonprofit organization which are designed to stimulate and
21 increase the volume of conventions and visitors within the
22 municipality: Provided, however, That an audited report on
23 the income and expenditures incurred by the municipality
24 receiving funds from the excise tax on hotel room rentals
25 shall be made annually to the board of county commissioners;
26 And provided further, That the members of the board of
27 directors or other governing body of the nonprofit
28 organization utilized by the municipality to provide the
29 aforementioned promotional programs be appointed by the
30 governing body of the municipality.

1 (2.1) A five per centum (5%) fee shall be paid to the
2 county for collecting the tax.

3 (3) All remaining revenues from the five per centum (5%)
4 excise tax received by the county, after paying the amounts
5 set forth in clauses (1), (2) and (2.1), shall be used for
6 operational and maintenance expenditures of the convention
7 center or exhibition hall as provided in subsection (d) and
8 for regional tourist promotion activities.

9 (4) In the event that bonds are issued by the public
10 authority to provide permanent financing or refinancing of
11 the expansion of and capital improvements to the convention
12 center/exhibition hall, the revenues received from the tax
13 and deposited in the special fund shall not be distributed as
14 aforesaid but shall be distributed by the county
15 commissioners in the order of priority as follows: first, to
16 the payment of all amounts set forth in clause (2); second,
17 to the trustee for such bonds in accordance with the
18 provisions of the indenture pursuant to which the bonds are
19 issued to be used for the payment of debt service on such
20 bonds and to the payment of all amounts set forth in clause
21 (2.1) in full or pro rata if the revenues are insufficient to
22 make such payments in full, as the case may be; third, to the
23 payment of all amounts set forth in clause (1); and fourth,
24 as set forth in clause (3), provided that this clause shall
25 not apply to bonds issued subsequent to such permanent
26 financing for purposes of completion or subsequent expansions
27 or capital improvements.

28 (5) In the event a convention center hotel is developed,
29 revenues equal to the amount of the excise tax imposed under
30 this section, with respect to the renting of rooms at the

1 convention center hotel, shall not be distributed as set
2 forth in clauses (1), (2), (2.1), (3) or (4), but shall be
3 distributed by the county only as follows, and in the
4 following order of priority: first, to be used for the
5 payment of debt service if there are bonds outstanding as
6 described in clause (4), but only to the extent that other
7 excise tax revenues available under this section and section
8 3061 of the act of August 9, 1955 (P.L.323, No.130), known as
9 "The County Code," for such purpose are not sufficient, and
10 second, to the public authority that operates the related
11 convention center, to be used to pay or finance any capital,
12 maintenance or operating costs of the convention center
13 hotel, related infrastructure or related building.

14 * * *

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