

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1877 Session of
2007

INTRODUCED BY BUXTON, PAYNE, MARSICO AND HELM, OCTOBER 3, 2007

REFERRED TO COMMITTEE ON TOURISM AND RECREATIONAL DEVELOPMENT,
OCTOBER 3, 2007

AN ACT

1 Amending the act of August 9, 1955 (P.L.323, No.130), entitled,
2 as amended, "An act relating to counties of the first, third,
3 fourth, fifth, sixth, seventh and eighth classes; amending,
4 revising, consolidating and changing the laws relating
5 thereto; relating to imposition of excise taxes by counties,
6 including authorizing imposition of an excise tax on the
7 rental of motor vehicles by counties of the first class; and
8 providing for regional renaissance initiatives," further
9 providing for authorization of hotel tax.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 Section 1. Section 1770.5 of the act of August 9, 1955
13 (P.L.323, No.130), known as The County Code, amended December
14 22, 2000 (P.L.1019, No.142) and July 5, 2005 (P.L.38, No.12), is
15 amended to read:

16 Section 1770.5. Authorization of [~~Three~~] Five Per Centum
17 Hotel Tax.--(a) The county commissioners of any county of the
18 third class having a population under the 1990 Federal Decennial
19 Census in excess of 237,000 residents, but less than 240,000
20 residents, may impose a hotel tax not to exceed [~~three~~] five per
21 centum of the consideration received by each operator of a hotel

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

5 (b) The county commissioners may by ordinance impose
6 requirements for keeping of records, the filing of tax returns
7 and the time and manner of collection and payment of tax. The
8 county commissioners may also impose by ordinance penalties and
9 interest for failure to comply with recordkeeping, filing,
10 collection and payment requirements.

11 (c) The county commissioners of each county shall designate
12 the entity or agency responsible to collect and to enforce the
13 collection of the tax on their behalf. All revenues received
14 from the tax shall be deposited into a special fund, which is to
15 be established by the county's treasurer. The disposition of the
16 revenues from the special fund attributable to the levy of the
17 first two per centum of the tax shall be as follows:

18 (1) twenty per centum of all revenues received per annum
19 shall be distributed by the treasurer to a city of the third
20 class in the county of the third class imposing the tax for the
21 appropriate and reasonable marketing and promotional expenses of
22 promoting tourism in the city of a third class and the costs
23 associated with the renovation, rehabilitation, extension,
24 furnishing, equipping, substantial repair or construction of a
25 tourism-related facility located within the city of the third
26 class, including for payment of the debt service on bonds issued
27 for such projects;

28 (2) ten per centum of all revenues received per annum shall
29 be distributed by the treasurer to the county commissioners who
30 may accept the funds which may be used for tourism and regional

1 promotion purposes to be determined by the county commissioners,
2 or, if the county commissioners elect not to accept the funds,
3 the funds shall be distributed by the treasurer to the TPA for
4 the appropriate and reasonable marketing and promotional
5 expenses of the TPA in promoting tourism in the county of the
6 third class imposing the tax, excluding promotion of a city of
7 the third class receiving revenues under clause (1); and

8 (3) seventy per centum of all revenue received per annum
9 shall be distributed by the treasurer to qualified authorities
10 located within the county of the third class imposing the tax
11 for payment of the debt service on bonds issued for the
12 construction of the county regional sports facility having a
13 seating capacity of ten thousand to fourteen thousand seats,
14 which is owned, in whole or in part, or leased by the applicable
15 authority, and which is located within the county of the third
16 class imposing the tax. The following are qualified authorities
17 for purposes of this clause:

18 (i) an authority incorporated pursuant to the former act of
19 May 2, 1945 (P.L.382, No.164), known as the "Municipality
20 Authorities Act of 1945";

21 (ii) an industrial or commercial development authority
22 incorporated pursuant to the act of August 23, 1967 (P.L.251,
23 No.102), known as the "Economic Development Financing Law"; and

24 (iii) a redevelopment authority incorporated pursuant to the
25 act of May 24, 1945 (P.L.991, No.385), known as the "Urban
26 Redevelopment Law."

27 (c.1) The disposition of the revenues from the special fund
28 attributable to the levy of the third per centum of the tax, if
29 levied, shall be distributed at the discretion of the county
30 commissioners and used solely for tourism and regional promotion

1 purposes.

2 (c.2) The disposition of the revenues from the special fund
3 attributable to the levy of the remaining two per centum of the
4 tax shall be distributed by the treasurer as follows:

5 (1) Fifty per centum shall be distributed to the TPA for the
6 appropriate and reasonable marketing and promotional expenses
7 for promoting tourism in the county imposing the tax; and

8 (2) Fifty per centum shall be distributed as follows:

9 (i) Seventy-five per centum to an authority incorporated
10 pursuant to the former act of May 2, 1945 (P.L.382, No.164),
11 known as the "Municipality Authorities Act of 1945," located
12 within the county of the third class currently imposing a tax
13 for payment of the debt service on bonds issued for the
14 construction of the county regional sports facility having a
15 seating capacity of ten thousand to fourteen thousand seats,
16 which is owned, in whole or in part, or leased by the applicable
17 authority, and which is located within the county of the third
18 class imposing the tax. Such authority shall use the tax
19 distribution identified in this section for the improvement,
20 support, rehabilitation, revitalization, construction, fit-out
21 and reconstruction of one or more tourism or tourism
22 infrastructure-related facilities, including, but not limited
23 to, for the payment of debt service on bonds related thereto.

24 (ii) Twenty-five per centum shall be distributed to the TPA
25 for the appropriate and reasonable marketing and promotional
26 expenses of promoting tourism in a city of the third class
27 located within the county of the third class imposing the tax
28 and the same shall be used in accordance with a plan approved by
29 the TPA.

30 (d) The treasurer of each county electing to impose the tax

1 authorized under this section shall collect the tax from the
2 entity or agency designated by the county commissioners to
3 collect and to enforce the collection of the tax and shall
4 deposit the revenues received from the tax in a special fund
5 established for that purpose.

6 (e) The tax year for a tax imposed under this section shall
7 run concurrently with the calendar year.

8 (e.1) An audited report on the income and expenditures
9 incurred by a tourist promotion agency receiving any revenues
10 from the tax authorized under this section shall be submitted
11 annually by the tourist promotion agency to the county
12 commissioners.

13 (f) As used in this section, the following words and phrases
14 shall have the meanings given to them in this subsection:

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.

20 "Debt service on bonds." Any cost related to the issuance,
21 refinancing, refunding or payment or any other costs associated
22 with the issuance and maintenance of bonds or notes by an
23 authority or a city of the third class.

24 "Hotel." A hotel, motel, inn, guest house or other structure
25 which holds itself out by any means, including advertising,
26 license, registration with an innkeepers' group, convention
27 listing association, travel publication or similar association
28 or with a government agency, as being available to provide
29 overnight lodging or use of facility space for consideration to
30 persons seeking temporary accommodation; any place which

1 advertises to the public at large or any segment thereof that it
2 will provide beds, sanitary facilities or other space for a
3 temporary period to members of the public at large; or any place
4 recognized as a hostelry. The term does not include any portion
5 of a facility that is devoted to persons who have an established
6 permanent residence or a college or university student residence
7 hall.

8 "Occupancy." The use or possession or the right to the use
9 or possession by any person other than a permanent resident of
10 any room in a hotel for any purpose or the right to the use or
11 possession of the furnishings or to the services accompanying
12 the use and possession of the room.

13 "Operator." An individual, partnership, nonprofit or profit-
14 making association or corporation, or other person or group of
15 persons who maintains, operates, manages, owns, has custody of
16 or otherwise possesses the right to rent or lease overnight
17 accommodations in a hotel to the public for consideration.

18 "Patron." A person who pays the consideration for the
19 occupancy of a room or rooms in a hotel.

20 "Permanent resident." A person who has occupied or has the
21 right to occupancy of a room or rooms in a hotel as a patron or
22 otherwise for a period exceeding thirty consecutive days.

23 "Room." A space in a hotel set aside for use and occupancy
24 by patrons, or otherwise, for consideration, having at least one
25 bed or other sleeping accommodation in a room or group of rooms.

26 "Tourist Promotion Agency (TPA)." An organization, agency or
27 corporation designated to be such by the board of commissioners
28 of the county in which the tax is imposed. The TPA shall be duly
29 established, designated and recognized as the county's TPA in
30 accordance with and pursuant to the act of April 28, 1961

1 (P.L.111, No.50), known as the "Tourist Promotion Law."

2 "Transaction." The activity involving the obtaining by a
3 transient or patron of the use or occupancy of a hotel room from
4 which consideration is payable to the operator under an express
5 or an implied contract.

6 "Transient." An individual who obtains accommodation in a
7 hotel by means of registering at the facility for the temporary
8 occupancy of a room for the personal use of the individual by
9 paying a fee to the operator.

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