

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1588 Session of  
2011

INTRODUCED BY MOUL AND TALLMAN, MAY 24, 2011

REFERRED TO COMMITTEE ON TOURISM AND RECREATIONAL DEVELOPMENT,  
MAY 24, 2011

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," in fiscal  
9 affairs, further providing for authorization of three per  
10 centum hotel tax in certain counties of the sixth class.

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

13 Section 1. Section 1770.7 of the act of August 9, 1955  
14 (P.L.323, No.130), known as The County Code, amended or added  
15 December 22, 2000 (P.L.1019, No.142) and July 5, 2005 (P.L.38,  
16 No.12), is amended to read:

17 Section 1770.7. Authorization of [~~Three~~] Five Per Centum  
18 Hotel Tax.--(a) The county commissioners of any county of the  
19 sixth class having a population under the 1990 Federal Decennial  
20 Census in excess of 78,250 residents, but less than 79,000  
21 residents, and any county of the fifth class which as a result  
22 of the 1990 Federal Decennial Census was such a county of the

1 sixth class and as a result of the 2010 Federal Decennial Census  
2 is reclassified as a county of the fifth class, may impose a  
3 hotel tax not to exceed [three] five per centum of the  
4 consideration received by each operator of a hotel within the  
5 county from each transaction of renting a room or rooms to  
6 transients. The tax shall be collected by the operator from the  
7 patron of the room or rooms and paid over to the county as  
8 herein provided.

9 (b) The provisions of subsection (b.1) notwithstanding,  
10 county commissioners may by ordinance impose requirements for  
11 keeping of records, the filing of tax returns and the time and  
12 manner of collection and payment of tax. The county  
13 commissioners may also impose by ordinance penalties and  
14 interest for failure to comply with recordkeeping, filing,  
15 collection and payment requirements.

16 (b.1) Each operator of a hotel within a county that imposes  
17 the tax authorized under this section shall submit to a review  
18 of hotel tax revenue. The review shall be conducted by the  
19 county commissioners and shall consist, at a minimum, of  
20 determining the total amount of consideration received by the  
21 operator from transactions of renting a room or rooms to  
22 transients during the period of review and the total amount of  
23 hotel tax revenue collected. The county commissioners or their  
24 duly authorized agents shall conduct the review of each operator  
25 at least twice every twelve months and shall bear the costs of  
26 the review.

27 (c) The [county commissioners of each county shall designate  
28 the entity or agency responsible to collect and to enforce the  
29 collection of the tax on their behalf. All revenues received  
30 from the tax shall be deposited into a special fund which is to

1 be established by the county's legally sanctioned and duly  
2 designated Tourist Promotion Agency (TPA). The] treasurer of  
3 each county that imposes the tax authorized under this section  
4 shall collect the tax and deposit the revenues received from the  
5 tax in a special fund established for that purpose. Subject to  
6 the deduction of the administrative fee authorized by subsection  
7 (e.2), the disposition of the revenues from the TPA hotel tax  
8 fund shall be as follows: [seventy-five per centum of all  
9 revenues received per annum shall be used by the TPA for the  
10 promotion, advertising and marketing of tourism and special  
11 events and for administrative costs. Twenty-five per centum of  
12 all revenues received per annum shall be used by the county  
13 commissioners for the purpose of economic development, historic  
14 preservation and grants to local municipalities having police  
15 departments. Any fees for administering the collection and  
16 distribution of the tax shall be negotiated by the TPA and the  
17 county commissioners.]

18 (1) Seventy-five per centum of all revenues received per  
19 annum shall be used by the county's recognized TPA for the  
20 promotion, advertising and marketing of tourism and special  
21 events and for administrative costs.

22 (2) Twenty-five per centum of all revenues received per  
23 annum shall be distributed as follows:

24 (i) Fifty per centum shall be used by the county  
25 commissioners for the purposes of economic development and  
26 historic preservation.

27 (ii) Fifty per centum shall be used by the county  
28 commissioners for grants to municipalities that:

29 (A) have a municipal police department employing at least  
30 two full-time police officers assigned to law enforcement duties

1 who work a minimum of two hundred days per year; or  
2 (B) are a member of a regional police department that  
3 provides full-time police services to the municipality pursuant  
4 to an agreement or contract.

5 [(d) The treasurer of each county electing to impose the tax  
6 authorized under this section shall collect the tax and deposit  
7 the revenues received from the tax in a special fund established  
8 for that purpose.]

9 (d.1) Grants under subsection (c) (2) (ii) shall be  
10 distributed to municipalities in proportion to the number of  
11 hotel rooms within the municipality as a percentage of the total  
12 number of hotel rooms in municipalities with police departments  
13 under subsection (c) (2) (ii) as compiled by the recognized TPA  
14 and certified by the county commissioners. Grants shall be used  
15 for police and law enforcement purposes. Any portion of a grant  
16 not used for police and law enforcement purposes shall be  
17 returned to the county for the purposes of subsection (c) (2) (i).

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

20 (e.1) An audited report on the income and expenditures  
21 incurred by a tourist promotion agency receiving any revenues  
22 from the tax authorized under this section shall be submitted  
23 annually by the tourist promotion agency to the county  
24 commissioners.

25 (e.2) The county may deduct and retain an administrative fee  
26 from the taxes collected under this section. The administrative  
27 fee established by the county may not exceed in any tax year the  
28 lesser of:

29 (1) four and one-half per centum of all taxes collected  
30 under this section; or

1     (2) ninety-five thousand dollars (\$95,000), which amount  
2 shall be adjusted biannually, beginning two years after the  
3 effective date of this subsection, by the percentage growth in  
4 the Consumer Price Index for All Urban Consumers.

5     (e.3) Revenue collected from the fee imposed under  
6 subsection (e.2) shall be used for the following purposes:

7     (1) Defraying the costs associated with the collection and  
8 administration of the tax.

9     (2) Defraying the costs of the review required under  
10 subsection (b.1).

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

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

18     "Hotel." A hotel, motel, inn, guest house or other structure  
19 which holds itself out by any means, including advertising,  
20 license, registration with an innkeepers' group, convention  
21 listing association, travel publication or similar association  
22 or with a government agency, as being available to provide  
23 overnight lodging or use of facility space for consideration to  
24 persons seeking temporary accommodation; any place which  
25 advertises to the public at large or any segment thereof that it  
26 will provide beds, sanitary facilities or other space for a  
27 temporary period to members of the public at large; or any place  
28 recognized as a hostelry. The term does not include any portion  
29 of a facility that is devoted to persons who have an established  
30 permanent residence or a college or university student residence

1 hall.

2 "Occupancy." The use or possession or the right to the use  
3 or possession by any person other than a permanent resident of  
4 any room in a hotel for any purpose or the right to the use or  
5 possession of the furnishings or to the services accompanying  
6 the use and possession of the room.

7 "Operator." An individual, partnership, nonprofit or profit-  
8 making association or corporation or other person or group of  
9 persons who maintain, operate, manage, own, have custody of or  
10 otherwise possess the right to rent or lease overnight  
11 accommodations in a hotel to the public for consideration.

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

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

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

20 "Tourist Promotion Agency (TPA)." An organization, agency or  
21 corporation designated to be such by the board of commissioners  
22 as of January 1, 2000, of the county in which the tax is  
23 imposed. The TPA shall be duly established, designated and  
24 recognized as the county's TPA in accordance with and pursuant  
25 to the act of [April 28, 1961 (P.L.111, No.50), known as the  
26 "Tourist Promotion Law." ] July 4, 2008 (P.L.621, No.50), known  
27 as the "Tourism Promotion Act."

28 "Transaction." The activity involving the obtaining by a  
29 transient or patron of the use or occupancy of a hotel room from  
30 which consideration is payable to the operator under an express

1 or an implied contract.

2 "Transient." An individual who obtains accommodation in a  
3 hotel by means of registering at the facility for the temporary  
4 occupancy of a room for the personal use of the individual by  
5 paying a fee to the operator.

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