

**AN ORDINANCE TO REPEAL AND READOPT WITH AMENDMENT CHAPTER 136,  
ARTICLE IV OF THE CALVERT COUNTY CODE, PERTAINING TO THE  
ACCOMMODATIONS TAX AND TOURISM DEVELOPMENT INCENTIVE FUND**

**WHEREAS**, Maryland Annotated Code, Local Government Article, § 20-401, et seq., authorizes the Commissioners of Calvert County to impose a hotel rental tax;

**WHEREAS**, by Ordinance 16-03, the Board of County Commissioners of Calvert County did impose a hotel rental tax;

**WHEREAS**, home-based short-term rentals fall within the definition of “Hotel” and must be treated as the traditional short-term rental of rooms in hotels, motels, and similar properties;

**WHEREAS**, staff has recommended amendments to Chapter 136, Article IV of the Calvert County Code to ensure equal treatment of all Hotels with respect to the Hotel Rental Tax;

**WHEREAS**, 2022 Laws of Maryland Ch. 604, codified at Maryland Annotated Code, Local Government Article, § 20-415, et seq., establishes a Tourism Development Incentive Fund in Calvert County and requires revenue from the County’s hotel rental tax to be distributed into that Fund;

**WHEREAS**, that State legislation provides that revenues from the Tourism Development Incentive Fund must be distributed in a certain manner;

**WHEREAS**, that State legislation further provides that grants provided for by Maryland Annotated Code, Local Government Article, § 20-415.1(C)(3) may be awarded only to applicants that meet criteria adopted by the County; and

**WHEREAS**, the Commissioners of Calvert County find that it is in the best interest of the health, safety, and welfare of the citizens of Calvert County to repeal and readopt with amendments Article IV of Chapter 136 of the Calvert County Code in order to address the collection of the Hotel Rental Tax where transactions utilize hosting platforms and booking services, and to adopt a Tourism Development Incentive Fund with a grant program, in compliance with State law.

**NOW, THEREFORE, BE IT ORDAINED** by the Board of County Commissioners of Calvert County, Maryland that Chapter 136, Article IV of the Calvert County Code is hereby repealed and, in its place, it adopted the following:

**Article IV. Accommodations Tax**

**§ 136-21. Definitions.**

As used in this Article, the following words have the meanings indicated:

- A) **Accommodations Tax** - The tax authorized under Maryland Annotated Code, Local Government Article, § 20-401, et seq. and this article.
- B) **Board** - The Board of County Commissioners of Calvert County, Maryland.
- C) **Booking Service** - means a reservation and/or payment service provided by a person or entity that facilitates an accommodation rental transaction between a host

and prospective guest for which the person or entity collects fees or taxes in connection with the reservation or facilities payment services between the host and guest.

- D) **County** - As the context requires, Calvert County.
- E) **Host** - means a legal owner of a residential dwelling unit who provides, or offers to provide, all or part of a residential dwelling unit as a Lodging Accommodation.
- F) **Hosting Platform** - means a person or entity that facilitates an accommodation by providing booking services through which a host may lawfully provide a residential dwelling unit as a Hotel.
- G) **Lodging Accommodation** - An establishment, including an apartment, hotel, cottage, hostelry, inn, motel, rooming house or tourist home that offers sleeping accommodation for compensation to any transient.
- H) **Tourism Development Incentive Fund, or Fund** – That Fund created by 2022 Laws of Maryland Ch. 604, codified at Maryland Annotated Code, Local Government Article, § 20–415, *et seq.*, that requires revenue from the County’s Accommodations Tax to be distributed into this Fund and be expended in conformity therewith.
- I) **Transient** - Any person who, for any period not exceeding four consecutive months, obtains sleeping accommodation at a Hotel.
- J) **Transient Charge** - A charge for sleeping accommodations for a period not exceeding four (4) consecutive months, but does not include any charge for services or accommodations other than sleeping accommodations.

**§ 136-22. Imposition and rate.** The Board hereby imposes a Accommodations Tax in the amount of Five Percent (5%) of the amount paid as a Transient Charge.

**§ 136-23. Payment, collection and return.**

- A) Except as provided at Md. Ann. Code, Local Gov't Art., § 20-404(a), the Accommodations Tax shall be remitted at the same time, to the same person, and in the same manner as the transient charge.
- B) The recipient of the Accommodations Tax shall give the 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
- C) The Accommodations Tax shall be held in trust by the Hotel, Booking Service, Hosting Platform, record owner(s) of the property, or their agent, until remitted to the County as required by this Article.
- D) Hotel, Booking Service, Hosting Platform, record owner(s) of the property, or their agent, shall, on the form the County requires, complete, sign and file a Accommodations Tax return and remit payment in full to the county on or before the 21st day of each month for the preceding month.
- E) The remitter of the Accommodations Tax, for administrative costs, may retain one-half of one percent (0.5%) of the gross amount of the Accommodations Tax collected, provided that the remitter, on or before the due date:

- 1) Files the accommodation tax return; and
- 2) Pays to the County the accommodation tax.

**§ 136-24. Administration.**

- A) The Board may adopt regulations consistent with Title 20 of *Local Government Article* of the Maryland Annotated Code, as amended from time to time, and Title 11 of the *Tax-General Article* of the Maryland Annotated Code, as amended, to provide for orderly, systematic and thorough administration of the Accommodations Tax.
- B) The Board may increase the surety bond that the County requires for its Treasurer in order to cover the revenue the Treasurer collects from the Accommodations Tax. The County may treat any additional premium due to the surety bond increase allowed as an administrative cost.
- C) From the Accommodations Tax revenue collected, the Board shall distribute a reasonable sum for Accommodations Tax administrative costs to the general fund of the County. The balance of the Accommodations Tax collected shall be allocated to the Tourism Incentive Development Fund.

**§ 136-24.1 Tourism Development Incentive Fund – Establishment and Allocation.**

There is hereby established a Tourism Development Incentive Fund in Calvert County that shall be distributed as follows:

- A) Five percent (5%) to the County's General Fund for the administration of the Accommodations Tax;
- B) Monthly to municipalities in the County, revenues attributable to a Lodging Accommodation located in the municipality; and
- C) The remainder to marketing Calvert County, including performance of market and marketing studies, to engage potential visitors and up to Twenty Percent (20%) of this remainder to provide grants to businesses and organizations to pay the application and permit fees required by the County to hold a special event in the County.

**§ 136-24.2 Tourism Development Incentive Fund - Grants.** Grants from the Fund to businesses and organizations to assist in the payment of application and permit fees required by the County to hold a special event in the County, not at Calvert County Park location, may be awarded:

- A) Subject to the availability of funds, on a first-come, first-served basis;
- B) In an amount not to exceed Twenty-five Thousand Dollars (\$25,000 per organization, per fiscal year;
- C) To businesses and organizations with a valid and complete special event permit application for the current fiscal year with an estimate of Calvert County support services cost required for their special event from the Calvert County Event and Marketing Coordinator;

- D) That have completed a grant application filed by an adult at least Thirty (30) days prior to the event upon the form prescribed by the Calvert County Department of Economic Development;
- E) That the Director of Economic Development, or her designee, finds does:
  - a. Provide destination awareness;
  - b. Have the ability to increase overnight stays in Calvert County; and
  - c. Have the potential to increase visitor spending in-market and have a measurable positive economic impact; and
- F) To offset the special event permit fee (the Permittee is responsible for any amounts in excess of a grant).

**§ 136-24.3 Tourism Development Incentive Fund – Appeal of Decision.** Any party aggrieved by a decision with respect to a decision on a grant application may seek redress before the County Administrator by filing a notice of appeal that sets forth in detail the basis for the allegation of error within Thirty (30) days of the decision.

**BE IT FURTHER ORDAINED** by the Board of County Commissioners of Calvert County, Maryland that, in the event any portion of this Ordinance is found to be unconstitutional, illegal, null or void, it is the intent of the Board of County Commissioners to sever only the invalid portion or provision, and that the remainder of the Ordinance shall be enforceable and valid;

**BE IT FURTHER ORDAINED** by the Board of County Commissioners of Calvert County, Maryland that the foregoing recitals are adopted as if fully rewritten herein; and

**BE IT FURTHER ORDAINED** by the Board of County Commissioners of Calvert County, Maryland that this Ordinance shall be effective upon recordation and publication of a fair summary.

**DONE**, this \_\_\_\_ day of \_\_\_\_\_, 2022, by the Board of County Commissioners of Calvert County, Maryland, sitting in regular session.

Aye: \_\_\_\_\_

Nay: \_\_\_\_\_

Absent/Abstain: \_\_\_\_\_

**ATTEST:**

**BOARD OF COUNTY COMMISSIONERS  
OF CALVERT COUNTY, MARYLAND**

\_\_\_\_\_  
Ruthie Buckler, Acting Clerk

\_\_\_\_\_  
Earl F. Hance, President

\_\_\_\_\_  
Steven R. Weems, Vice President

Approved for form and legal  
sufficiency by:

\_\_\_\_\_  
Christopher J. Gadway

\_\_\_\_\_  
Mike Hart

\_\_\_\_\_  
John B. Norris, III, County Attorney

\_\_\_\_\_  
Kelly D. McConkey Jr.

Approved for form  
and legal sufficiency

  
\_\_\_\_\_  
Office of County Attorney

for Public Hearing