



Senate Committee on Community, Economic and Recreational Development

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Senate Bill 838, Printer's No. 1035

Date: June 27, 2013

Sponsor: Senators Alloway and Solobay

Bill Summary

Senate Bill 838, Printer's No. 1035, amends the act of August 9, 1955 (P.L.323, No.130), known as The County Code, by providing in {new} section 1773 (relating to authorization of five per centum hotel tax) for the authorization of a Hotel Tax not to exceed five percent (5%) in relation to a fourth class county having a population under the 2010 Federal Decennial Census in excess of 145,000, but less than 209,999.

It requires an annual audit of each hotel operator by county commissioner who shall bear the cost of the audit.

It allows the county to deduct an administrative fee (the lower of 4.5% or \$95,000 of tax revenues) as the source of funding for the annual audit by the county commissioners.

It would provide for the disposition of the hotel tax revenues collected as follows:

- 75% for county Tourist Promotion Agency (TPA); and
- 25% as follows:
 - 50% to be used by county commissioners for economic development, historic preservation and the arts; and
 - 50% for grants to municipalities (for police and law enforcement purposes) that have a municipal police department (employing at least two full-time police officers who work a minimum of 200 days per year) or are a member of regional police department (such to be distributed to municipalities in proportion to the number of hotel rooms within in municipalities as a percentage of the total number of hotel rooms in municipalities with police departments as compiled by the TPA and certified by the county commissioners).
 - Any portion not used for police and law enforcement purposes

An annual audit report on the income and expenditures incurred by a TPA receiving revenues pursuant to the authorization of this hotel tax shall be submitted by the TPA to the county commissioners.

The following terms are defined:

- Consideration
- Hotel
- Occupancy
- Operator
- Patron
- Permanent resident
- Room
- Tourist Promotion Agency (TPA) – (designated to be such by the board of commissioners as of January 1, 2000 of the county in which the tax is imposed)

This act shall take effect immediately.

This amendment would amend

Existing Legislation

Act of August 9, 1955 (P.L.323, No.130), known as The County Code.

Act of July 4, 2008 (P.L.621, No.50), known as the "Tourism Promotion Act."

Other Legislation

Similar legislation was enacted last session (2011-12) with the enactment of Act 142 of 2012 (House Bill 1588, PN 3346), which further provided in The County Code for a 5% (vs. 3%) Hotel Tax for Counties of the 5th Class with a population in excess of 101,000, but less than 102,000 (Adams County).