

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL****No. 2515** Session of  
2014

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INTRODUCED BY STERN, SCHLOSSBERG AND KIRKLAND,  
SEPTEMBER 23, 2014

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AS REPORTED FROM COMMITTEE ON TOURISM AND RECREATIONAL  
DEVELOPMENT, HOUSE OF REPRESENTATIVES, AS AMENDED,  
OCTOBER 7, 2014

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## 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, repealing provisions relating to authorization of  
10 excise tax and authorization of hotel tax; and providing for  
11 hotel room rental tax in third through eighth class counties  
12 and for certification of recognized tourist promotion  
13 agencies.

14 The General Assembly of the Commonwealth of Pennsylvania  
15 hereby enacts as follows:

16 Section 1. Sections 1770.2 and 1770.6 of the act of August  
17 9, 1955 (P.L.323, No.130), known as The County Code, amended or  
18 added December 22, 2000 (P.L.1019, No.142) and July 5, 2005  
19 (P.L.38, No.12), are repealed:

20 [Section 1770.2. Authorization of Excise Tax.--(a) The  
21 county commissioners of any county which has a recognized  
22 tourist promotion agency designated to act within the county may

1 impose an excise tax not to exceed three per centum of the  
2 consideration received by each operator of a hotel within the  
3 county from each transaction of renting a room or rooms to  
4 transients. The tax shall be collected by the operator from the  
5 patron of the room or rooms and paid over to the county as  
6 herein provided.

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

13 (c) The treasurer of each county electing to impose the tax  
14 authorized under this section shall collect the tax and deposit  
15 the revenues received from the tax in a special fund established  
16 for that purpose. After deducting from the fund any direct or  
17 indirect costs attributable to collection of the tax, the county  
18 shall distribute to the recognized tourist promotion agency  
19 designated to act within the county all revenues received from  
20 the tax not later than sixty days after receipt of the tax  
21 revenues. The revenues from the special fund shall be used by  
22 the recognized tourist promotion agency for any or all of the  
23 following purposes:

24 (1) Convention promotion.

25 (2) Marketing the area served by the agency as a leisure  
26 travel destination.

27 (3) Marketing the area served by the agency as a business  
28 travel destination.

29 (4) Using all appropriate marketing tools to accomplish  
30 these purposes, including, but not limited to, advertising,

1 publicity, publications, direct marketing, direct sales and  
2 participation in industry trade shows.

3 (5) Projects or programs that are directly and substantially  
4 related to tourism within the county, augment and do not unduly  
5 compete with private sector tourism efforts and improve and  
6 expand the county as a destination market.

7 (6) Any other tourism marketing or promotion program deemed  
8 necessary by the recognized tourist promotion agency.

9 (d) The tax year for a tax imposed under this section shall  
10 run concurrently with the calendar year.

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

16 (e.1) Notwithstanding any other provision of subsection (b)  
17 or any other provision of law to the contrary, in counties of  
18 the third class having a population under the 1990 Federal  
19 Decennial Census in excess of 415,000 residents but less than  
20 500,000 residents, a penalty of one and one-half per centum per  
21 month shall be imposed for failure to timely remit the tax  
22 authorized by this section. In addition to other remedies  
23 available for collection of debts, the county may also file a  
24 lien upon the hotel in the name of and for the use of the county  
25 as provided by law for municipal claims.

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

28 "Consideration." Receipts, fees, charges, rentals, leases,  
29 cash, credits, property of any kind or nature, or other payment  
30 received by operators in exchange for or in consideration of the

1 use or occupancy by a transient of a room or rooms in a hotel  
2 for any temporary period.

3 "County." Any county which is on the effective date of this  
4 act a county of the third class having a population under the  
5 1990 Federal Decennial Census in excess of 337,000 residents,  
6 but less than 341,000 residents, or a county of the third class  
7 having a population under the 1990 Federal Decennial Census in  
8 excess of 374,000 residents, but less than 380,000 residents, or  
9 a county of the third class having a population under the 1990  
10 Federal Decennial Census in excess of 415,000 residents, but  
11 less than 500,000 residents, or a county of the fourth class  
12 having a population under the 1990 Federal Decennial Census in  
13 excess of 159,000 residents, but less than 175,000 residents, or  
14 a county of the fifth class having a population under the 1990  
15 Federal Decennial Census in excess of 123,000 residents, or a  
16 county of the fifth class having a population under the 1990  
17 Federal Decennial Census in excess of 117,000 residents, but  
18 less than 121,050 residents, or a county of the sixth class  
19 having a population under the 1990 Federal Decennial Census in  
20 excess of 87,000 residents.

21 "Hotel." A hotel, motel, inn, guest house or other structure  
22 which holds itself out by any means, including advertising,  
23 license, registration with an innkeepers' group, convention  
24 listing association, travel publication or similar association  
25 or with a government agency, as being available to provide  
26 overnight lodging or use of facility space for consideration to  
27 persons seeking temporary accommodation; any place which  
28 advertises to the public at large or any segment thereof that it  
29 will provide beds, sanitary facilities or other space for a  
30 temporary period to members of the public at large; or any place

1 recognized as a hostelry. The term does not include any portion  
2 of a facility that is devoted to persons who have an established  
3 permanent residence or a college or university student residence  
4 hall or any private campground, or any cabins, public  
5 campgrounds or other facilities located on State land.

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

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

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

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

21 "Recognized tourist promotion agency." The nonprofit  
22 corporation, organization, association or agency which is  
23 engaged in planning and promoting programs designed to stimulate  
24 and increase the volume of tourist, visitor and vacation  
25 business within counties served by the agency as that term is  
26 defined in the act of April 28, 1961 (P.L.111, No.50), known as  
27 the "Tourist Promotion Law."

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

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

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

9 Section 1770.6. Authorization of Hotel Tax.--(a) Except as  
10 provided for in section 1770.7, the county commissioners of any  
11 county may impose an excise tax on the consideration received by  
12 each operator of a hotel, as defined by this section, from each  
13 transaction of renting a room or rooms to accommodate  
14 transients. If levied, the tax shall be collected by the  
15 operator from the patron of the room and paid over to the county  
16 and shall be known as the hotel room rental tax.

17 (b) The rate of the tax imposed under this section shall not  
18 exceed three per centum.

19 (c) The treasurer of each county electing to impose the tax  
20 authorized under this section shall collect the tax and deposit  
21 the revenues received from the tax in a special fund established  
22 for that purpose. Subsequent to the deduction for administrative  
23 costs established in subsection (e), the county shall distribute  
24 to the recognized tourist promotion agency all revenues received  
25 from the tax not later than sixty days after receipt of the tax  
26 revenues. The revenues from the special fund shall be used by  
27 the recognized tourist promotion agency for any or all of the  
28 following purposes:

29 (1) Convention promotion.

30 (2) Marketing the area served by the agency as a leisure

1 travel destination.

2 (3) Marketing the area served by the agency as a business  
3 travel destination.

4 (4) Using all appropriate marketing tools to accomplish  
5 these purposes, including, but not limited to, advertising,  
6 publicity, publications, direct marketing, direct sales and  
7 participation in industry trade shows.

8 (5) Projects or programs that are directly and substantially  
9 related to tourism within the county, augment and do not unduly  
10 compete with private sector tourism efforts and improve and  
11 expand the county as a destination market.

12 (6) Any other tourism marketing or promotion program deemed  
13 necessary by the recognized tourist promotion agency.

14 (d) Each tax year for any tax imposed hereunder shall run  
15 concurrently with the county's fiscal year.

16 (d.1) An audited report on the income and expenditures  
17 incurred by a recognized tourist promotion agency receiving any  
18 revenues from the tax authorized under this section shall be  
19 submitted annually by the recognized tourist promotion agency to  
20 the county commissioners.

21 (e) For the purposes of defraying the costs associated with  
22 the collection of the tax imposed hereunder and otherwise  
23 performing its obligations under this section, the county is  
24 hereby authorized to deduct and retain an administrative fee  
25 from the taxes collected hereunder. Such administrative fee  
26 shall be established by the county but shall not exceed in any  
27 tax year the lesser of:

28 (1) two per centum of all taxes collected hereunder; or

29 (2) forty thousand dollars (\$40,000), which amount shall be  
30 adjusted biannually, beginning two years after the date of

1 enactment, by the percentage growth in the Consumer Price Index  
2 for All Urban Consumers as determined by the United States  
3 Department of Labor.

4 (f) Definitions.--As used in this section, the following  
5 words and phrases shall have the meanings given to them in this  
6 subsection:

7 "Bed and breakfast" or "homestead." A public accommodation  
8 consisting of a private residence, which contains ten or fewer  
9 bedrooms, used for providing overnight accommodations to the  
10 public and in which breakfast is the only meal served and is  
11 included in the charge for the room.

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

17 "County." Any county of the third class through the eighth  
18 class which on the effective date of this section does not have  
19 the authority to levy a hotel occupancy or room rental tax.

20 "Hotel." A hotel, motel, bed and breakfast, homestead, inn,  
21 guest house or other structure which holds itself out by any  
22 means, including advertising, license, registration with an  
23 innkeepers' group, convention listing association, travel  
24 publication or similar association or with a government agency,  
25 as being available to provide overnight lodging or use of  
26 facility space for consideration to persons seeking temporary  
27 accommodation; any place which advertises to the public at large  
28 or any segment thereof that it will provide beds, sanitary  
29 facilities or other space for a temporary period to members of  
30 the public at large; or any place recognized as a hostelry. The



1 term does not include any portion of a facility that is devoted  
2 to persons who have an established permanent residence or a  
3 college or university student residence hall or any private  
4 campground or any cabins, public campgrounds or other facilities  
5 located on State land.

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

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

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

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

21 "Recognized tourist promotion agency." The nonprofit  
22 corporation, organization, association or agency which is  
23 engaged in planning and promoting programs designed to stimulate  
24 and increase the volume of tourist, visitor and vacation  
25 business within counties served by the agency as that term is  
26 defined in the act of April 28, 1961 (P.L.111, No.50), known as  
27 the "Tourist Promotion Law."

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

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

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

9 "Treasurer." The elected treasurer of the county or, if  
10 there is no elected treasurer of the county, such other official  
11 or agent of the county as may be designated by the county to  
12 collect and account for the tax authorized by this section.]

13 Section 2. The act is amended by adding sections to read:

14 Section 1770.10. Hotel Room Rental Tax in Third through  
15 Eighth Class Counties.--(a) A county may, by ordinance, impose  
16 a tax which shall be known as the hotel room rental tax on the  
17 consideration received by each operator of a hotel within the  
18 county from each transaction of renting a room or rooms to  
19 accommodate transients. The tax shall be collected by the  
20 operator from the patron of the room and paid over to the county  
21 where the hotel is located as provided under this section.

22 (b) The rate of tax imposed under this section shall not  
23 exceed five per centum.

24 (c) The treasurer of each county electing to impose the tax  
25 authorized under this section shall collect the tax and deposit  
26 the revenues received from the tax in a special fund established  
27 for that purpose. Subsequent to the deduction for administrative  
28 costs established in subsection (g), the county shall distribute  
29 to the recognized tourist promotion agency all revenues received  
30 from the tax not later than sixty days after receipt of the tax

1 revenues.

2 (d) The revenues from the special fund shall be used by the  
3 recognized tourist promotion agency for any of the following  
4 purposes:

5 (1) Marketing the area served by the agency as a leisure  
6 travel destination.

7 (2) Marketing the area served by the agency as a business,  
8 convention or meeting travel destination.

9 (3) Using all appropriate marketing tools to accomplish  
10 these purposes, including, but not limited to, advertising,  
11 publicity, publications, direct marketing, sales, technology and  
12 participation in industry trade shows that attract tourists to  
13 the area served by the agency.

14 (4) ~~Projects or programs~~ PROGRAMS OR GRANTS that are <--  
15 directly and substantially related to tourism within the county,  
16 augment and do not compete with private sector tourism efforts  
17 and improve and expand the county as a destination market as  
18 deemed necessary by the recognized tourist promotion agency.

19 (5) Any other tourism marketing or promotion program or  
20 ~~tourism~~ project THAT DOES NOT COMPETE WITH PRIVATE SECTOR <--  
21 TOURISM EFFORTS as deemed necessary by the recognized tourist  
22 promotion agency.

23 (e) Each taxable year for any tax imposed under this section  
24 shall run concurrently with the county's fiscal year.

25 (f) An audited report or financial statement, as determined  
26 by the county in consultation with the recognized tourist  
27 promotion agency, on the income and expenditures incurred by a  
28 recognized tourist promotion agency receiving any revenues from  
29 the tax authorized under this section shall be submitted  
30 annually by the recognized tourist promotion agency to the

1 county commissioners.

2 (g) For the purposes of defraying the costs associated with  
3 the collection of the tax imposed under this section and  
4 otherwise performing its obligations under this section, the  
5 county may deduct and retain an administrative fee from the  
6 taxes collected under this section. The administrative fee shall  
7 be established by the county but shall not exceed five per  
8 centum in any taxable year.

9 (h) A penalty of one and one-half per centum per month shall  
10 be imposed for failure to timely collect and remit the tax  
11 authorized by this section. In addition to other remedies  
12 available for collection of debts, the county may file a lien  
13 upon the hotel in the name of the county and for the use of the  
14 county as provided by law.

15 (i) The following words and phrases when used in this  
16 section shall have the meanings given to them in this subsection  
17 unless the context clearly indicates otherwise:

18 "Bed and breakfast" or "homestead." A public accommodation  
19 consisting of a private residence, which contains ten or fewer  
20 bedrooms, used for providing overnight accommodations to the  
21 public and in which breakfast is the only meal served and is  
22 included in the charge for the room.

23 "Consideration." Receipts, fees, charges, rentals, leases,  
24 cash, credits, property of any kind or nature or other payment  
25 received by operators in exchange for or in consideration of the  
26 use or occupancy by a transient of a room or rooms in a hotel  
27 for a temporary period.

28 "County." Any county of the third through eighth class that  
29 was authorized to levy a hotel occupancy or room rental tax  
30 under the former section 1770.2 or 1770.6.

1     "Hotel." A hotel, motel, inn, guesthouse, rooming house, bed  
2 and breakfast, homestead or other structure which holds itself  
3 out by any means, including advertising, license, registration  
4 with an innkeepers' group, convention listing association,  
5 travel publication or similar association or with a government  
6 agency, as being available to provide overnight lodging for  
7 consideration to persons seeking temporary accommodation; any  
8 place which advertises to the public at large or any segment  
9 thereof that it will provide beds, sanitary facilities or other  
10 space for a temporary period to members of the public at large;  
11 any place recognized as a hostelry; or any private campground or  
12 any cabins, public campgrounds or cabins or other facilities  
13 located on State land or private property. The term does not  
14 include any charitable institution, or portion of a facility  
15 that is devoted to persons who have an established permanent  
16 residence or a college or university student residence hall  
17 currently occupied by students enrolled in a degree program, or  
18 an educational or religious institution summer camp for  
19 children, hospital or nursing home.

20     "Marketing." An action by a recognized tourism promotion  
21 agency that includes, but is not limited to, promoting and  
22 encouraging visitors to visit a specific county, counties or  
23 geographic region.

24     "Occupancy." The use or possession or the right to the use  
25 or possession by any person other than a permanent resident of  
26 any room in a hotel for any purpose or the right to the use or  
27 possession of the furnishings or to the services accompanying  
28 the use and possession of the room.

29     "Operator." Any individual, partnership, nonprofit or  
30 profit-making association or corporation or other person or

1 group of persons who maintain, operate, manage, own, have  
2 custody of or otherwise possess the right to rent or lease  
3 overnight accommodations in a building to the public for  
4 consideration.

5 "Patron." Any person who pays the consideration for the  
6 occupancy of a room or rooms in a hotel.

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

10 "Recognized tourist promotion agency." The nonprofit  
11 corporation, organization, association or agency which is  
12 engaged in planning and promoting programs designed to stimulate  
13 and increase the volume of tourist, visitor and vacation  
14 business within a county and certified by the county as of the  
15 effective date of this subsection or under section 1770.11.

16 "Room." A space in a building set aside for use and  
17 occupancy by patrons or otherwise, for consideration, having at  
18 least one bed or other sleeping accommodations provided; or, in  
19 campgrounds, a space of land set aside for occupancy by patrons  
20 or otherwise for consideration.

21 "Transaction." The activity involving the obtaining by a  
22 transient or patron of the use or occupancy of a hotel room from  
23 which consideration emanates to the operator under an expressed  
24 or implied contract.

25 "Transient." An individual who obtains accommodation in a  
26 hotel by means of registering at the facility for the temporary  
27 occupancy of a room for the personal use of the individual by  
28 paying a fee to the operator.

29 Section 1770.11. Certification of Recognized Tourist  
30 Promotion Agencies.--(a) A county may certify a nonprofit

1 corporation, organization, association or agency to serve as the  
2 county's recognized tourist promotion agency. The county may not  
3 have more than one recognized tourist promotion agency.

4 (b) (1) A county must certify a recognized tourist  
5 promotion agency under subsection (a) by proper resolution of  
6 the governing body of the county, concurred in by resolution of  
7 the governing bodies of cities, boroughs, towns or townships  
8 within the county which have an aggregate of more than fifty per  
9 centum of the total population of the county as determined by  
10 the most recently completed Federal decennial census.

11 (2) A recognized tourist promotion agency shall operate  
12 until that agency has dissolved as an entity, withdrawn its  
13 certification or has been decertified by the county under  
14 subsection (c).

15 (c) (1) Notwithstanding any other provision of law, a  
16 county may decertify a recognized tourist promotion agency by  
17 proper resolution of the governing body of a county, concurred  
18 in by resolution of the governing bodies of cities, boroughs,  
19 towns or townships within the county which have an aggregate of  
20 more than sixty-five per centum of the total population of the  
21 county as determined by the most recently completed Federal  
22 decennial census.

23 (2) The county shall hold at least one public hearing on  
24 decertification no less than seven days before a meeting to  
25 adopt a resolution under this subsection.

26 (3) This subsection shall apply to recognized tourist  
27 promotion agencies, regardless of the date on which they were  
28 recognized under the act of July 4, 2008 (P.L.621, No.50), known  
29 as the "Tourism Promotion Act," or certified by the county under  
30 this section.

1 SECTION 3. NOTHING IN THIS ACT SHALL BE CONSTRUED TO REQUIRE <--  
2 A COUNTY THAT HAS IMPOSED A TAX UNDER THE FORMER SECTION 1770.2  
3 OR 1770.6 TO ENACT A NEW ORDINANCE TO IMPOSE THE TAX UNDER  
4 SECTION 1770.10 IF ALL OF THE FOLLOWING APPLY:

5 (1) THE TAX RATE IN THE ORDINANCE IMPOSING THE TAX UNDER  
6 THE FORMER SECTION 1770.2 OR 1770.6 HAS NOT CHANGED.

7 (2) THE ORDINANCE IMPOSING THE TAX UNDER THE FORMER  
8 SECTION 1770.2 OR 1770.6 IS OTHERWISE CONSISTENT WITH SECTION  
9 1770.10.

10 Section 3 4. This act shall take effect immediately. <--