

No. 1982-226

AN ACT

HB 2420

Authorizing cities of the first class to impose an excise tax on hotel room rentals and providing for the collection and disposition of revenues.

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

Section 1. Short title.

This act shall be known and may be cited as the "First Class City Hotel Room Rental Tax Act."

Section 2. Legislative intent.

The General Assembly hereby declares that tourism is a major Pennsylvania industry which creates extensive investment and employment opportunities in the Commonwealth. It is an appropriate public purpose to facilitate the growth of this industry by promoting tourism in the Commonwealth through advertising Pennsylvania's natural, historic, recreational and cultural attractions, and through promoting conventions, vacationing in Pennsylvania, and touring Pennsylvania. The purpose of this legislation is to make additional funds available to promote tourism in cities of the first class through a locally adopted tax upon hotel room rentals.

Section 3. Definitions.

The following words and phrases when used in this act shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:

"City." Cities of the first class and cities operating under the act of April 21, 1949 (P.L.665, No.155), known as the "First Class City Home Rule Act."

"City council." The council of a city.

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

"Hotel." A hotel, motel, inn, guesthouse or other building located within the taxing jurisdiction which holds itself out by any means including advertising, license, registration with any innkeeper's group, convention listing association, travel publication or similar association or with any government agency as being available to provide overnight lodging or use of facility space for consideration to persons seeking temporary accommodation; any place which advertises to the public at large or any segment thereof that it will provide beds, sanitary facilities or other space for a temporary period to members of the public at large; any place recognized as a hostelry, provided that portions of such facility which are

devoted to persons who have established permanent residence shall not be included in this definition.

“Occupancy.” The use or possession or the right to the use or possession by any person other than a permanent resident of any room in a hotel for any purpose or the right to the use or possession of the furnishings or to the services accompanying the use and possession of the room.

“Operator.” Any individual, partnership, nonprofit or profit-making association or corporation or other person or group of persons who maintain, operate, manage, own, have custody of, or otherwise possess the right to rent or lease overnight accommodations in any hotel to the public for consideration.

“Patron.” Any person who pays the consideration for the occupancy of a room or rooms in a hotel.

“Permanent resident.” Any person who has occupied or has the right to occupy any room or rooms in a hotel as a patron or otherwise for a period exceeding 30 consecutive days.

“Room.” A space in a hotel set aside for use and occupancy by patrons, or otherwise, for consideration, having at least one bed or other sleeping accommodation provided therein.

“Temporary.” A period of time not exceeding 30 consecutive days.

“Tourist promotion agency.” The agency designated by the city council to be eligible for grants from the Department of Commerce pursuant to the act of April 28, 1961 (P.L.111, No.50), known as the “Tourist Promotion Law.”

“Transaction.” The activity involving the obtaining by a transient or patron of the use or occupancy of a hotel room from which consideration emanates to the operator under an express or an implied contract.

“Transient.” Any individual who obtains an accommodation in any hotel for himself by means of registering at the facility for the temporary occupancy of any room for the personal use of that individual by paying to the operator of the facility a fee in consideration therefor.

“Treasurer.” The city treasurer or, in any home rule county where there is no elected treasurer, the designee of the governing authority.

Section 4. Adoption.

The city council is hereby authorized to impose an excise tax not to exceed 3% on the consideration received by each operator of a hotel within the city from each transaction of renting a room or rooms to accommodate transients. The tax shall be collected by the operator from the patron of the room and paid over to the city pursuant to section 5 and be known as the Hotel Room Rental Tax.

Section 5. Deposit.

The treasurer of each city electing to impose the tax authorized under this act is hereby directed to collect the tax and to deposit the revenues received from the tax in a special account established solely for purposes of tourist promotion agencies. Interest on moneys deposited in the account shall accrue to the account. The treasurer is hereby authorized to establish rules and regulations concerning the collection of the tax.

Section 6. Expenditures.

Expenditures from the account established pursuant to section 5 shall be annually appropriated by the city council for tourist promotion activities to be executed by the designated tourist promotion agency for:

- (1) advertising and publicizing tourist attractions in the area served by the agency;
- (2) promoting and attracting conventions, exhibitions and other functions to utilize facilities in the area served by the agency; and
- (3) promoting and otherwise encouraging the use of the facilities in the area served by the agency by the public as a whole.

Section 7. Tax year.

Each tax year for any tax imposed hereunder shall run concurrently with the city's fiscal year.

Section 8. Sunset provisions.

The provisions of this act shall expire three years after enactment unless the General Assembly, prior to that time, enacts legislation extending the time limitation.

Section 9. Effective date.

This act shall take effect immediately and cities can begin collecting the tax herein authorized by city council.

APPROVED—The 7th day of December, A. D. 1982.

DICK THORNBURGH