

No. 1999-25

AN ACT

SB 366

Amending the act of August 9, 1955 (P.L.323, No.130), entitled, as amended, "An act relating to counties of the third, fourth, fifth, sixth, seventh and eighth classes; amending, revising, consolidating and changing the laws relating thereto; and providing for regional renaissance initiatives," further providing for the definition of "county" for authorization of excise tax; authorizing the imposition of hotel taxes; authorizing counties of the first class to impose an excise tax on vehicle rentals; and providing for establishment of a commission on the status of women.

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

Section 1. The title of the act of August 9, 1955 (P.L.323, No.130), known as The County Code, amended June 18, 1997 (P.L.179, No.18), is amended to read:

AN ACT

Relating to counties of the *first*, third, fourth, fifth, sixth, seventh and eighth classes; amending, revising, consolidating and changing the laws relating thereto; *relating to imposition of excise taxes by counties, including authorizing imposition of an excise tax on the rental of motor vehicles by counties of the first class*; and providing for regional renaissance initiatives.

Section 2. The definition of "county" in section 1770.2(f) of the act, amended June 18, 1998 (P.L.619, No.79), is amended to read:

Section 1770.2. Authorization of Excise Tax.—* * *

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

* * *

"County." Any county which is on the effective date of this act a county of the third class having a population under the 1990 Federal Decennial Census in excess of 337,000 residents, but less than 341,000 residents, *or a county of the third class having a population under the 1990 Federal Decennial Census in excess of 374,000 residents, but less than 380,000 residents, or a county of the third class having a population under the 1990 Federal Decennial Census in excess of 415,000 residents, but less than 500,000 residents*, or a county of the fourth class having a population under the 1990 Federal Decennial Census in excess of 159,000 residents, but less than 175,000 residents, or a county of the fifth class having a population under the 1990 Federal Decennial Census in excess of 123,000 residents, *or a county of the fifth class having a population under the 1990 Federal*

Decennial Census in excess of 117,000 residents, but less than 121,050 residents, or a county of the sixth class having a population under the 1990 Federal Decennial Census in excess of 87,000 residents.

* * *

Section 3. The act is amended by adding a section to read:

Section 1770.5. Authorization of Two Per Centum Hotel Tax.—(a) The county commissioners of any county of the third class having a population under the 1990 Federal Decennial Census in excess of 237,000 residents, but less than 240,000 residents, may impose a hotel tax not to exceed two per centum of the consideration received by each operator of a hotel within the county from each transaction of renting a room or rooms to transients. The tax shall be collected by the operator from the patron of the room or rooms and paid over to the county as herein provided.

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

(c) The county commissioners of each county shall designate the entity or agency responsible to collect and to enforce the collection of the tax on their behalf. All revenues received from the tax shall be deposited into a special fund, which is to be established by the county's treasurer. The disposition of the revenues from the special fund shall be as follows:

(1) twenty per centum of all revenues received per annum shall be distributed by the treasurer to a city of the third class in the county of the third class imposing the tax for the appropriate and reasonable marketing and promotional expenses of promoting tourism in the city of a third class and the costs associated with the renovation, rehabilitation, extension, furnishing, equipping, substantial repair or construction of a tourism-related facility located within the city of the third class, including for payment of the debt service on bonds issued for such projects;

(2) ten per centum of all revenues received per annum shall be distributed by the treasurer to the county commissioners who may accept the funds which may be used for tourism and regional promotion purposes to be determined by the county commissioners, or, if the county commissioners elect not to accept the funds, the funds shall be distributed by the treasurer to the TPA for the appropriate and reasonable marketing and promotional expenses of the TPA in promoting tourism in the county of the third class imposing the tax, excluding promotion of a city of the third class receiving revenues under clause (1); and

(3) seventy per centum of all revenue received per annum shall be distributed by the treasurer to qualified authorities located within the county of the third class imposing the tax for payment of the debt service on bonds issued for the construction of the county regional sports facility having a seating capacity of ten thousand to fourteen thousand seats, which

is owned, in whole or in part, or leased by the applicable authority, and which is located within the county of the third class imposing the tax. The following are qualified authorities for purposes of this clause:

(i) an authority incorporated pursuant to the act of May 2, 1945 (P.L.382, No.164), known as the "Municipality Authorities Act of 1945";

(ii) an industrial or commercial development authority incorporated pursuant to the act of August 23, 1967 (P.L.251, No.102), known as the "Economic Development Financing Law"; and

(iii) a redevelopment authority incorporated pursuant to the act of May 24, 1945 (P.L.991, No.385), known as the "Urban Redevelopment Law."

(d) The treasurer of each county electing to impose the tax authorized under this section shall collect the tax from the entity or agency designated by the county commissioners to collect and to enforce the collection of the tax and shall deposit the revenues received from the tax in a special fund established for that purpose.

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

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

"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.

"Debt service on bonds." Any cost related to the issuance, refinancing, refunding or payment or any other costs associated with the issuance and maintenance of bonds or notes by an authority or a city of the third class.

"Hotel." A hotel, motel, inn, guest house or other structure which holds itself out by any means, including advertising, license, registration with an innkeepers' group, convention listing association, travel publication or similar association or with a 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; or any place recognized as a hostelry. The term does not include any portion of a facility that is devoted to persons who have an established permanent residence or a college or university student residence hall.

"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." An individual, partnership, nonprofit or profit-making association or corporation, or other person or group of persons who maintains, operates, manages, owns, has custody of or otherwise possesses

the right to rent or lease overnight accommodations in a hotel to the public for consideration.

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

“Permanent resident.” A person who has occupied or has the right to occupancy of a room or rooms in a hotel as a patron or otherwise for a period exceeding thirty 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 in a room or group of rooms.

“Tourist Promotion Agency (TPA).” An organization, agency or corporation designated to be such by the board of commissioners of the county in which the tax is imposed. The TPA shall be duly established, designated and recognized as the county’s TPA in accordance with and 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 is payable to the operator under an express or an implied contract.

“Transient.” An individual who obtains accommodation in a hotel by means of registering at the facility for the temporary occupancy of a room for the personal use of the individual by paying a fee to the operator.

Section 4. Articles XIX and XXIII of the act are amended by adding subdivisions to read:

(z.2) Commission on Women

Section 1999i. Commission on the Status of Women.—The board of commissioners in any county may establish a commission on the status of women.

(m) Tax for Capital Costs Retirement

Section 2398. Authorization of Vehicle Rental Tax by Counties of the First Class.—(a) Notwithstanding any provision of this act or any law to the contrary, each county of the first class is hereby authorized to impose an excise tax on the rental of a rental vehicle in that county. If the county is coterminous with a city of the first class, imposition of the tax in that county, if any, shall be by that city. The tax may be imposed on any person renting a rental vehicle at a rate of up to two per centum of the purchase price of the rental. For purposes of this section, the situs of the rental of the vehicle is the place where the renter takes possession of the rental vehicle.

(b) All of the proceeds of the vehicle rental tax shall be dedicated solely to the payment of the costs of capital projects, which costs may include, without limitation, lease payments or service agreements with authorities for capital projects and debt service on bonds issued for capital projects. The Commonwealth does hereby pledge to and agree with any person, firm or corporation subscribing to or acquiring bonds issued by the county, city or

an authority to finance a capital project for which the tax was dedicated that the Commonwealth itself will not repeal this authorization or reduce the rate of tax authorized under this section until all such bonds, together with the interest thereon, have been paid or provision for such payment shall have been made, nor shall a county or city of the first class imposing such tax and dedicating such tax as provided in this section be permitted to repeal such tax or to reduce the rate of such tax or to revoke such dedication until all of such bonds, together with interest thereon, shall have been paid or provision for such payment shall have been made. Payments by a county or a city of the first class under any lease or service agreement as hereinabove described shall not constitute debt of the Commonwealth or of a county or city of the first class.

(c) The vehicle rental tax shall be collected by each vehicle rental company in the county or city imposing the tax. The tax shall be collected at the time the rental vehicle is rented by that vehicle rental company and shall be remitted by the vehicle rental company to the county or city that imposed the tax in accordance with rules and regulations established by the county or city or the tax collection agencies of that county or city for collection and remittance of the tax. Any person required to collect or pay over any tax authorized by this section and who fails to collect or pay over any such tax shall be liable for the full amount of such tax, including any interest or penalties which may be imposed by a county or city of the first class.

(d) The county or city and its tax collection agencies are authorized to promulgate and enforce rules and regulations not inconsistent with the provisions of this section relating to any matter or thing pertaining to the collection, administration and enforcement of the provisions of this section.

(e) Definitions.—As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

“Rental vehicle” shall mean a private passenger motor vehicle designed to transport fifteen or fewer passengers or a truck, trailer or semitrailer used in the transportation of property other than commercial freight, that is rented without a driver, is part of a fleet of five or more rental vehicles that are used for that purpose and owned or leased by the same person or entity and is rented for a period of twenty-nine or fewer consecutive days.

“Vehicle rental company” shall mean any business entity engaged in the business of renting motor vehicles in this Commonwealth.

Section 5. This act shall take effect immediately.

APPROVED—The 25th day of June, A.D. 1999.

THOMAS J. RIDGE