

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

SENATE BILL

No. 656 Session of  
2015

---

INTRODUCED BY WARD, WAGNER, STEFANO AND EICHELBERGER,  
JUNE 1, 2015

---

REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,  
JUNE 1, 2015

---

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, are  
18 repealed:

19 [Section 1770.2. Authorization of Excise Tax.--(a) The  
20 county commissioners of any county which has a recognized  
21 tourist promotion agency designated to act within the county may  
22 impose an excise tax not to exceed three per centum of the  
23 consideration received by each operator of a hotel within the

1 county from each transaction of renting a room or rooms to  
2 transients. The tax shall be collected by the operator from the  
3 patron of the room or rooms and paid over to the county as  
4 herein provided.

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

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

22 (1) Convention promotion.

23 (2) Marketing the area served by the agency as a leisure  
24 travel destination.

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

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

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

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

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

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

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

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

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

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

19 "Hotel." A hotel, motel, inn, guest house or other structure  
20 which holds itself out by any means, including advertising,  
21 license, registration with an innkeepers' group, convention  
22 listing association, travel publication or similar association  
23 or with a government agency, as being available to provide  
24 overnight lodging or use of facility space for consideration to  
25 persons seeking temporary accommodation; any place which  
26 advertises to the public at large or any segment thereof that it  
27 will provide beds, sanitary facilities or other space for a  
28 temporary period to members of the public at large; or any place  
29 recognized as a hostelry. The term does not include any portion  
30 of a facility that is devoted to persons who have an established

1 permanent residence or a college or university student residence  
2 hall or any private campground, or any cabins, public  
3 campgrounds or other facilities located on State land.

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

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

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

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

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

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

29 "Transaction." The activity involving the obtaining by a  
30 transient or patron of the use or occupancy of a hotel room from

1 which consideration is payable to the operator under an express  
2 or an implied contract.

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

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

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

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

27 (1) Convention promotion.

28 (2) Marketing the area served by the agency as a leisure  
29 travel destination.

30 (3) Marketing the area served by the agency as a business

1 travel destination.

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

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

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

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

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

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

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

27 (2) forty thousand dollars (\$40,000), which amount shall be  
28 adjusted biannually, beginning two years after the date of  
29 enactment, by the percentage growth in the Consumer Price Index  
30 for All Urban Consumers as determined by the United States

1 Department of Labor.

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

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

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

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

18 "Hotel." A hotel, motel, bed and breakfast, homestead, inn,  
19 guest house or other structure which holds itself out by any  
20 means, including advertising, license, registration with an  
21 innkeepers' group, convention listing association, travel  
22 publication or similar association or with a government agency,  
23 as being available to provide overnight lodging or use of  
24 facility space for consideration to persons seeking temporary  
25 accommodation; any place which advertises to the public at large  
26 or any segment thereof that it will provide beds, sanitary  
27 facilities or other space for a temporary period to members of  
28 the public at large; or any place recognized as a hostelry. The  
29 term does not include any portion of a facility that is devoted  
30 to persons who have an established permanent residence or a



1 college or university student residence hall or any private  
2 campground or any cabins, public campgrounds or other facilities  
3 located on State land.

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

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

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

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

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

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

29 "Transaction." The activity involving the obtaining by a  
30 transient or patron of the use or occupancy of a hotel room from

1 which consideration is payable to the operator under an express  
2 or an implied contract.

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

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

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

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

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

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

30 (d) The revenues from the special fund shall be used by the

1 recognized tourist promotion agency for any of the following  
2 purposes:

3 (1) Marketing the area served by the agency as a leisure  
4 travel destination.

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

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

12 (4) Programs or grants that are directly and substantially  
13 related to tourism within the county, augment and do not compete  
14 with private sector tourism efforts and improve and expand the  
15 county as a destination market as deemed necessary by the  
16 recognized tourist promotion agency. Grants may not be used for  
17 signage that promotes a specific private entity or for  
18 maintenance, capital or economic development projects, except  
19 for a Pennsylvania visitor information center.

20 (5) Any other tourism marketing or promotion program or  
21 project that does not compete with private sector tourism  
22 efforts as deemed necessary by the recognized tourist promotion  
23 agency. A project may not include maintenance, capital or  
24 economic development projects, except for a Pennsylvania visitor  
25 information center or county-owned minor league baseball  
26 stadium.

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

29 (f) An audited report or financial statement, as determined  
30 by the county in consultation with the recognized tourist

1 promotion agency, on the income and expenditures incurred by a  
2 recognized tourist promotion agency receiving any revenues from  
3 the tax authorized under this section shall be submitted  
4 annually by the recognized tourist promotion agency to the  
5 county commissioners.

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

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

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

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

27 "Cabin." A permanent structure with beds located on a  
28 campground that is available to provide overnight lodging for  
29 consideration to persons seeking temporary accommodations.

30 "Consideration." Receipts, fees, charges, rentals, leases,

1 cash, credits, property of any kind or nature or other payment  
2 received by operators in exchange for or in consideration of the  
3 use or occupancy by a transient of a room or rooms in a hotel  
4 for a temporary period.

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

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

27 "Marketing." An action by a recognized tourism promotion  
28 agency that includes, but is not limited to, promoting and  
29 encouraging visitors to visit a specific county, counties or  
30 geographic region.

1 "Occupancy." The use or possession or the right to the use  
2 or possession by any person other than a permanent resident of  
3 any room in a hotel for any purpose or the right to the use or  
4 possession of the furnishings or to the services accompanying  
5 the use or possession of the room.

6 "Operator." Any individual, partnership, nonprofit or  
7 profit-making association or corporation or other person or  
8 group of persons who maintain, operate, manage, own, have  
9 custody of or otherwise possess the right to rent or lease  
10 overnight accommodations in a building to the public for  
11 consideration.

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

14 "Pennsylvania visitor information center." A facility,  
15 recognized by the Department of Community and Economic  
16 Development, the prime purpose of which is to provide  
17 information and tourist support services.

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 a county and certified by the county as of the  
26 effective date of this subsection or under section 1770.11.

27 "Room." A space in a building set aside for use and  
28 occupancy by patrons or otherwise, for consideration, having at  
29 least one bed or other sleeping accommodations provided.

30 "Transaction." The activity involving the obtaining by a

1 transient or patron of the use or occupancy of a hotel room from  
2 which consideration emanates to the operator under an expressed  
3 or implied contract.

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

8 Section 1770.11. Certification of Recognized Tourist  
9 Promotion Agencies.--(a) A county may certify a nonprofit  
10 corporation, organization, association or agency to serve as the  
11 county's recognized tourist promotion agency. The county may not  
12 have more than one recognized tourist promotion agency.

13 (b) (1) A county must certify a recognized tourist  
14 promotion agency under subsection (a) by proper resolution of  
15 the governing body of the county, concurred in by resolution of  
16 the governing bodies of cities, boroughs, towns or townships  
17 within the county which have an aggregate of more than fifty per  
18 centum of the total population of the county as determined by  
19 the most recently completed Federal decennial census.

20 (2) A recognized tourist promotion agency shall operate  
21 until that agency has dissolved as an entity, withdrawn its  
22 certification or has been decertified by the county under  
23 subsection (c).

24 (c) (1) Notwithstanding any other provision of law, a  
25 county may decertify a recognized tourist promotion agency by  
26 proper resolution of the governing body of a county, concurred  
27 in by resolution of the governing bodies of cities, boroughs,  
28 towns or townships within the county which have an aggregate of  
29 more than sixty-five per centum of the total population of the  
30 county as determined by the most recently completed Federal

1 decennial census.

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

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

10 Section 3. Nothing in this act shall be construed to require  
11 a county that has imposed a tax under the former section 1770.2  
12 or 1770.6 of the act to enact a new ordinance to impose the tax  
13 under section 1770.10 of the act if the ordinance imposing the  
14 tax under the former section 1770.2 or 1770.6 of the act is  
15 otherwise consistent with section 1770.10 of the act.

16 Section 4. This act shall take effect immediately.