
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18 repealed: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.