

**ORDINANCE #2 OF 1997**

**HOTEL ROOM TAX**

**WHEREAS, the Centre County Lion Country Visitors and Convention Bureau recommends that the Centre County Board of Commissioners adopt a room tax to be used for the purpose of county-wide travel and tourism promotion; and**

**WHEREAS, the Centre County Board of Commissioners therefore proposes to adopt such tax in accordance with such enabling legislation known as Act 18 of 1997, provisions of which are hereby incorporated by reference;**

**NOW THEREFORE, BE IT ENACTED:**

**SECTION 1. TITLE**

**This ordinance shall be known and be cited as the Hotel Tax Ordinance of Centre County.**

**SECTION 2. DEFINITIONS**

**The following words when used in this ordinance shall have the meanings ascribed to them in this section:**

**(1) "Consideration." The 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, inn, bed & breakfast or any other similar lodging establishment as defined below for any temporary period.**

**(2) "County." The County of Centre in the Commonwealth of Pennsylvania.**

**(3) "Hotel." A hotel, motel, inn, guest house, or other building located within the County 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; 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 facilities which are devoted to persons who have established permanent residence shall not be included in this definition. Provided that hotel does not include college or university residence halls, dorms, private campgrounds or cabins, public campgrounds or other facilities located on State land.**

### **SECTION 3. IMPOSITION, RATE AND PURPOSE OF TAX**

(1) There is hereby imposed a tax on the consideration received by each operator of the hotel/inn within the county from each transaction of renting a room or rooms to accommodate transients.

(a) Effective September 1, 1997, a one percent tax.

### **SECTION 4. COLLECTION, PAYMENT, REPORTS AND RETURNS OF TAX**

(1) The operator shall collect the tax imposed by this ordinance from the patron of the room and pay it over to the County as provided hereinafter. The operator shall be liable to the County as agent thereof for the payment of the tax to the County Treasurer as provided in this section.

(2) The County Treasurer is hereby directed to collect the tax from the operator and to deposit the revenues received in a special bank account established solely for the purpose of tourist and travel promotion and advertising relating to such promotion. The Treasurer shall within sixty (60) days of the receipt of the tax, distribute the tax revenues to the recognized tourist promotion agency in Centre County.

(3) The County Treasurer is hereby authorized to establish rules and regulations concerning the collection of the tax.

(4) Every report and return shall be made upon a form furnished by the County Treasurer.

(5) Every operator shall transmit to the County Treasurer, the report concurrent with the reporting deadline as is currently established for the submission to the Commonwealth of Pennsylvania for State Sales Tax. The report shall include the amount of consideration received for the transactions during the month or quarter for which the return is made, the amount of tax collected by the operator during that period, number of rooms available, and other such information as the County Treasurer may require.

(6) Every operator, at the time of filing every return required by this section shall compute and pay to the County Treasurer the taxes collected by him and due to the County during the period from which the report is made.

(7) Upon request, the hotel/inn operator shall permit inspection and make available to the County all books and records which such operator is otherwise required to maintain pursuant to federal and state law and regulations. These records shall be maintained for a period of three (3) years from the date of filing of the applicable room tax returns.

(8) The Centre County Board of Commissioners shall promulgate appropriate rules and regulations to implement the provisions of this Ordinance.

(9) That on or before June 1, of each year, the recognized tourist promotion agency shall submit to the Centre County Board of Commissioners a budget reflecting the proposed expenditures of such funds.

(10) An annual audited report on the income and expenditures incurred by the recognized tourist promotion agency receiving any revenue shall be submitted by the recognized tourist promotion agency to the County Commissioners by September 30 of the subsequent year.

#### **SECTION 5. PENALTIES**

(1) Any person violating any of the provisions of this Ordinance may be subject to the following penalties:

Upon conviction in a summary proceeding, a fine not in excess of one hundred dollars (\$100.00) to be paid to the use of the County with costs of prosecution.

(2) Each violation shall constitute a separate offense subject to the penalties outlined above.

(3) For each whole or part of a month a return is not filed and tax paid when required, there shall be a penalty of five percent (5%) of the unpaid tax due with that return. The maximum penalty is twenty five percent (25%). The penalties may be waived if there is an acceptable reason for failing to file or pay as determined by the Centre County Board of Commissioners or its agent. Use of reporting agents of other third-party service providers does not relieve an operator of the responsibility to ensure that tax returns are filed and all taxes are paid correctly and on time.

(4) Interest shall also accrue on the amount of tax that is not filed and paid by the due date. The amount of interest on late payments shall be computed daily at a rate announced annually by the Pennsylvania Department of Revenue as it is initially established by the Secretary of the US Treasury from the due date until the date paid. Interest is computed by multiplying the late paid or unpaid tax times days delinquent, times daily interest rate. The daily interest rate equals annual interest rate divided by number of days in the year.

#### **SECTION 6. REPEAL**

All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

**SECTION 7. ADMINISTRATIVE FEE -- See amendment attached**

An administrative fee of \$3,500.00 per year shall be retained by the County for the purpose of recouping administrative costs, which will be incurred in the accounting for the Hotel Tax. This fee shall be subject to annual review and adjusted accordingly.

**SECTION 8. SEVERABILITY**

If any section, clause, phrase, portion or provision of this Ordinance is for any reason determined by a court of competent jurisdiction to be invalid such holding shall not affect the validity of the remaining portions of the Ordinance.

**SECTION 9. EFFECTIVE DATE**

This Ordinance shall be effective the 1<sup>st</sup> day of September 1997 and shall remain in effect until the expiration of the appropriated enabling legislation, or amendment thereof, or action by the Centre County Board of Commissioners.

(4) **“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/inn 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.

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

(6) **“Patron.”** Any person who pays the consideration for the occupancy of a room in a hotel/inn.

(7) **“Permanent resident.”** Any person who has occupied or has the right to occupy any room or rooms in a hotel/inn as a patron or otherwise for a period exceeding sixty (60) consecutive days.

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

(9) **“Temporary.”** A period of time not exceeding sixty (60) consecutive days.

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

(11) **“Transient.”** Any individual who obtains an accommodation in any hotel/inn 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 thereof.

(12) **“Exemption.”** In certain situations, an employee of the Commonwealth of Pennsylvania or the Government of the United States is exempt from the payment of the tax. A hotel owner does not have to collect the tax if the customer presents a bona fide exemption certificate or a document identifying the customer as an employee on official business for the Commonwealth of Pennsylvania or the Government of the United States.