



SPONSOR: Rep. Taylor
and Carey

HOUSE OF REPRESENTATIVES

135TH GENERAL ASSEMBLY

HOUSE BILL NO.

423

JUN 21 1989

AN ACT TO AMEND CHAPTER 61, TITLE 30 OF THE DELAWARE CODE RELATING TO THE AUTHORITY OF THE STATE OF DELAWARE TO LEVY AND COLLECT A PUBLIC LODGING TAX AND DEDICATING THE PROCEEDS OF THE TAX TO THE STATE BEACH PRESERVATION PROGRAM AND COUNTY CONVENTION AND VISITORS BUREAUS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (three-fifths of all members elected to each House thereof concurring therein):

- 1 Section 1. Amend Section 6102, Chapter 61, Title 30 of the Delaware Code
2 by deleting the existing provisions and substituting therein the following:
3 "§6102. Levy of tax.
4 (a) There is imposed and assessed an excise tax at the rate of 8%
5 of the rent upon every occupancy of a room or rooms in a hotel, motel,
6 or tourist home within this State.
7 (b) The proceeds of this tax shall be distributed as follows:
8 6% to the State General Fund, 1% to the Beach Preservation Program of
9 the Department of Natural Resources and Environmental Control of the
10 State of Delaware, and 1% annually shall be designated, in the
11 proportion in which collected, to the duly established convention and
12 visitors bureau in each county."
13 Section 2. Amend Chapter 61, Part V, Title 30, Delaware Code by
14 designating the current Chapter 61 as "Subchapter I. Lodging Tax Collection"
15 and by creating a Subchapter II as follows:
16 "Subchapter II. County Convention and Visitors Bureaus
17 §6121. Eligible Organizations
18 Each county-based convention and visitors bureaus, to be
19 eligible to receive such monies as enumerated in §6102 of this
20 Title must be a registered Delaware non-profit corporation,
21 qualified under terms of the Internal Revenue Code of 1954 as

1 amended, Section 501(c)(6). For the Counties of Kent, New Castle
2 and Sussex, the following organizations are designated to receive
3 the 1% funding:

4 (a) Kent County: A Convention & Visitors Bureau shall be
5 established in a manner to be determined by the Governor of the
6 State of Delaware and the Administrator of the Kent County Levy
7 Court.

8 (b) Sussex County: A Convention & Visitors Bureau shall be
9 established in a manner to be determined by the Governor of the
10 State of Delaware and the Administrator of the Sussex County
11 Council.

12 (c) In New Castle County: A qualifying county-based
13 Convention & Visitors Bureau (The Greater Wilmington Convention &
14 Visitors Bureau), has been chartered by the Governor of the State
15 of Delaware, the County Executive of New Castle County, and the
16 Mayor of the City of Wilmington.

17 §6122. Reporting and Operating Conditions

18 Such recipient organization shall be subject to all reporting
19 and operating conditions normally imposed upon Delaware non-profit
20 corporations and public bodies.

21 §6123. Period to Establish

22 During the period required for Kent and Sussex Counties to
23 establish their County-based Convention & Visitors Bureaus, funds
24 due them shall be paid to the Delaware Development Office. The
25 Delaware Development Office will administer the funds, making them
26 available to non-profit organizations in each county in such
27 amounts and for such tourism related purposes as the Delaware
28 Tourism Office deems appropriate.

29 Section 3. This Act shall take effect July 1, 1989.

SYNOPSIS

The State of Delaware presently imposes a 6% lodging tax on the transient occupants of all hotel, motel and certain tourist homes in Delaware.

This legislation seeks to increase the 6% lodging tax to 8%. Of the 2% increase, 1% will go to the State Beach Preservation Program and 1% to Kent, New Castle, and Sussex Counties to be used for tourism.

The objectives of the legislation are two-fold: To provide stable funding essential for a sustained marketing and market development program, and to afford an incentive for increasing travel business coming into the State.



SPONSOR: Rep. Schroeder

HOUSE OF REPRESENTATIVES

135TH GENERAL ASSEMBLY

HOUSE AMENDMENT NO. 1

JUN 27 1989

TO

HOUSE BILL NO. 423

- 1 AMEND House Bill No. 423 by striking the period "." following the word
2 "Council" on line 11, page 2 of the bill and substituting in lieu thereof the
3 following:
4 ", and representatives from the Lewes Chamber of Commerce, Rehoboth
5 Beach - Dewey Beach Chamber of Commerce and the Bethany - Fenwick Area
6 Chamber of Commerce."

SYNOPSIS

This Amendment provides for participation of the three coastal Chambers of Commerce in the process of establishing a Sussex County Convention and Visitors Bureau.



SPONSOR: Rep. Bunting

HOUSE OF REPRESENTATIVES

135TH GENERAL ASSEMBLY

HOUSE AMENDMENT NO. 2

JUN 28 1989

TO

HOUSE BILL NO. 423

1 AMEND House Bill 423 by adding thereto a new section, designated as Section 4, which new
2 section shall read as follows:

3 "Section 4. Notwithstanding any other provision of this Act to the contrary, all funds
4 received by the State from this Act which are or would be designated for the Beach
5 Preservation Program shall first be paid over, equally, to the Town of Fenwick Island; to
6 the Town of Bethany Beach; to the Town of South Bethany and to Sussex County until each of
7 them is reimbursed for funds which each has expended for beach replenishment during the
8 years 1988 and 1989. After the county and towns have each been fully reimbursed, the said
9 funds shall be paid over to the Beach Preservation Program."

SYNOPSIS

House Bill 423 provides for a two percent (2%) increase on the Public Lodging Tax; one percent (1%) is designated for the Beach Preservation Program, and one percent (1%) is for the visitor bureaus. Throughout 1988 and 1989 Sussex County, together with some communities in Sussex County, financed beach replenishment from county and town funds. This Amendment provides that those funds from the tax which are designated for beach preservation will first be paid to the county and to those towns which were the original financial backers of beach replenishment. When the county and town are fully reimbursed, all further payments will go to the Beach Preservation Program.



SPONSOR: Rep. Bennett

HOUSE OF REPRESENTATIVES

135TH GENERAL ASSEMBLY

HOUSE AMENDMENT NO. 3

JUN 28 1989

TO

HOUSE BILL NO. 423

- 1 AMEND House Bill No. 423 by striking the number "8" as such appears in line
2 4 of page 1 of the Act and substituting in lieu thereof the number "7".
3 FURTHER AMEND House Bill No. 423 by striking lines 8 through 21 on page 1
4 of the Act in their entirety, and substituting in lieu thereof the following:
5 "6% to the State General Fund and 1% to the Beach Preservation Program
6 of the Department of Natural Resources and Environmental Control of the
7 State of Delaware to be dedicated as matching funds to match on a dollar
8 for dollar basis funds dedicated for beach replenishment by the counties
9 and municipalities of the State of Delaware."
10 FURTHER AMEND House Bill No. 423 by striking lines 1 through 28 on page 2
11 of the Act in their entirety.

SYNOPSIS

This Amendment raises the lodging tax to 7%, instead of 8%, dedicates 1% of the tax as beach replenishment matching funds, and eliminates the convention and visitor's bureau provisions of the Act.



SPONSOR: Rep. Davis

HOUSE OF REPRESENTATIVES

135TH GENERAL ASSEMBLY

HOUSE AMENDMENT NO. 4

JUN 29 1989

TO

HOUSE BILL NO. 423

1 AMEND House Bill No. 423 as amended by House Amendment No. 1 and 2 by
2 adding a new sentence after the period "." on line 9, page 1 of House
3 Amendment No. 2 to House Bill No. 423 to read as follows:

4 "It is specifically authorized that the funds received by this Act
5 which are or would be designated for the Beach Preservation Program shall
6 be counted as non-state matching funds as required by Section 43, Chapter
7 360, Volume 66, Laws of Delaware."

SYNOPSIS

This Amendment allows the funds received by this Act which are designated for the Beach Preservation Program to be considered as non-state matching funds required by the Bond bill enacted in 1988.



SPONSOR: Rep. Bennett

HOUSE OF REPRESENTATIVES

135TH GENERAL ASSEMBLY

HOUSE AMENDMENT NO. 5

JUN 29 1989

TO

HOUSE BILL NO. 423

1 AMEND House Bill No. 423 by striking the number "8" as such appears in line
2 4 of page 1 of the Act and substituting in lieu thereof the number "7".

3 FURTHER AMEND House Bill No. 423 by striking lines 8 through 21 on page 1
4 of the Act in their entirety, and substituting in lieu thereof the following:

5 "6% to the State General Fund and 1% to the Beach Preservation Program
6 of the Department of Natural Resources and Environmental Control of the
7 State of Delaware to be distributed to the counties and municipalities
8 through the Beach Preservation Section of the Division of Soil and Water
9 Conservation, to serve as non-state matching funds to match funds
10 appropriated by the State for ocean beach renourishment and preservation.
11 The Beach Preservation Section shall develop and implement a formula for
12 distribution of said funds based upon the proportion of spending by any
13 individual applicant for said non-state matching funds in relation to the
14 total amount of spending by counties and municipalities for ocean beach
15 renourishment and preservation in the previous fiscal year."

16 FURTHER AMEND House Bill No. 423 by striking lines 1 through 28 on page 2
17 of the Act, as amended, in their entirety.

18 FURTHER AMEND House Bill No. 423 by striking lines 1 through 9 of House
19 Amendment No. 2 from the Act in their entirety.

SYNOPSIS

This Amendment raises the lodging tax to 7%, instead of 8%, dedicates 1% of the tax as non-state beach replenishment matching funds, and eliminates the convention and visitor's bureau provisions of the Act.

1 of 1