



SPONSOR: Sen. Lopez & Rep. Schwartzkopf

DELAWARE STATE SENATE
150th GENERAL ASSEMBLY

SENATE BILL NO. 236

AN ACT TO AMEND THE CHARTER OF DEWEY BEACH RELATING TO THE POWER TO IMPOSE AND COLLECT A LODGING TAX.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Two-thirds of all members elected to each house thereof concurring therein):

Section 23. Enumeration Of Powers.

(a) Not by way of limitation upon the power vested in the Town Commissioners to exercise all powers delegated by this Charter to the municipal corporation of the Town Commissioners of Dewey Beach except as may expressly appear herein to the contrary, but, rather by way of enumeration and for purposes of clarity, the Town Commissioners are vested by this Charter with the following powers, which may be exercised by said Commissioners in the interest of good government and the safety, health, and welfare of the Town, its inhabitants and ~~affairs, that is to say:~~ affairs:

16. To levy and collect an accommodations tax upon the renting or leasing of residential property located within the municipal boundaries of Dewey Beach, ~~except that no~~ as follows:

a. No accommodations tax for a residential rental shall may be collected upon a any of the following:

1. A valid rental agreement or valid lease agreement with an initial term of at least ~~one (1)~~ 1 year.

2. The rental or lease of any room or rooms in a hotel, motel, or tourist home as defined under § 6101 of Title 30 of the Delaware Code.

b. The accommodations tax on a residential rental shall be is as set from time to time by the Commissioners of Dewey Beach, but may not to exceed ~~three percent (3%)~~ 3% of the rent or lease amount unless approved by referendum. This residential rental accommodations tax does not apply to the rental or lease of any property being assessed a public accommodation lodging excise tax under Chapter 61 of Title 30.

17. To impose and collect a lodging tax of no more than 3% of the rent, in addition to the amount imposed by the State under Chapter 61 of Title 30 of the Delaware Code, for the occupancy of any room or rooms in a hotel, motel, or tourist home that is located within the boundaries of Dewey Beach, A lodging tax under this paragraph must be imposed as follows:

a. May not be imposed before April 1, 2021.

b. The initial rate may not exceed 1.5%.

c. The rate may not be increased by more than 0.5% annually.

SYNOPSIS

This Act amends the Charter of Dewey Beach to give the Town Commissioners the authority to impose and collect a lodging tax. The new lodging tax is distinct from the existing accommodations tax. A rental property may be subject to either the accommodations tax or the lodging tax, but not both. In addition, the lodging tax may not be imposed before April 1, 2021, the initial rate may not exceed 1.5%, and the rate may not be increased by no more than .5% annually until the maximum rate, 3%, is reached.

This Act also makes technical corrections to conform existing law to the standards of the Delaware Legislative Drafting Manual.

This Act requires a greater than majority vote for passage because § 1 of Article IX of the Delaware Constitution requires the affirmative vote of two-thirds of the members elected to each house of the General Assembly to amend a charter issued to a municipal corporation.

Author: Senator Lopez