



ROBERT G. CASSILLY

Harford County Executive

FOR IMMEDIATE RELEASE

Jan. 24, 2024

For more information, contact:

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Harford Executive Cassilly Vetoes Amended Hotel Tax Bill: Legislation Violates County Charter, Imposes Spending Mandate

BEL AIR, Md., (Jan. 24, 2024) - Harford Executive Bob Cassilly today vetoed legislation that directs how approximately \$750K in hotel tax revenue is to be distributed, because it violates the County Charter.

Specifically, [**County Council Bill 23-034 Hotel Tax**](#) imposes a spending mandate, allowing the legislature to assume the executive branch's responsibility for creating the county budget.

Spending mandates are permitted by the Maryland General Assembly, but they were strongly criticized by former Governor Larry Hogan for their negative impacts on the executive branch's ability to effectively manage government spending. The former governor observed that the process had become so prevalent during his term in Annapolis that billions in mandated spending was being proposed by the General Assembly each year. County Executive Cassilly maintains that Harford County must not emulate such a flawed spending policy.

"This bill was originally proposed by Councilman Dion Guthrie to improve access to tourism-related funding for organizations in Edgewood, Joppa, and Joppatowne." County Executive Cassilly said. "Unfortunately, it was later amended to illegally direct \$750K in hotel tax revenue to a non-governmental entity in violation of the County Charter. The charter remains our indispensable guide to proper fiscal management, and we must follow the charter."

County Executive Cassilly's veto message to the County Council is attached.



ROBERT G. CASSILLY

Harford County Executive

MEMORANDUM

DATE: January 24, 2024

TO: Patrick S. Vincenti, Harford County Council President
Members of the Harford County Council

FROM: Robert G. Cassilly, Harford County Executive

RE: Bill 23-034 – Hotel Tax

I am vetoing Bill 23-034, as amended, pursuant to Article III, Section 311 of the Harford County Charter (the “Charter”).

The mandated spending provided in this Bill violates Sections 302, 414, and Article V of the Charter. These Sections, and Article V of the County Charter as a whole, set forth the process for accounting and allocating tax revenues via the County budget process to protect our taxpayers and uphold fundamentals of governance. Bill 23-034 is a clear violation of these important provisions of the County Charter.

Article V of the County Charter is a key part of our governmental structure, intended to support the fundamental concept of separation of powers that lies at the heart of our Nation’s Constitution and the Harford County Charter. By adhering to the County Charter’s budgetary restrictions and process, our County has wisely avoided legislative spending mandates, one of the State’s most serious challenges to runaway spending and good governance. Spending mandates by the General Assembly at the State level have become so prevalent that such mandates seriously impede the ability of the Governor to manage and control government spending effectively and responsibly.

The County Executive has the exclusive power and responsibility for determining how revenues will be expended in the coming fiscal year, except for the budgets for the County Council and the Board of Appeals. Charter §§ 506, 509, 510, 504. The power of the County Council with respect to the expenditure of County revenues, excepting their budget and the budget of the Board of Appeals, is limited to deleting or decreasing such expenditures. Charter §§ 512, 504. The hotel tax generates approximately three-quarters of a million dollars of revenue. Neither the enabling legislation for the tax nor the Charter permits the County Council to dictate how such revenues are allocated and spent. See Md. Code Ann., Local Gov’t § 20-403(a), Charter Article V.

Finally, County procurement regulations are intended by the Charter to protect taxpayers' interests through strict transparency and fairness requirements. The allocation of substantial taxpayer funds for distribution by an external organization that is not mandated to follow county procurement regulations and does not allow for County Executive oversight, violates the charter and fundamental principles of good governance.

For the reasons stated above, I must VETO Bill 23-034, as amended.



John W. Harford

Harford County Executive

1/24/24

Date

HARFORD COUNTY BILL NO. 23-034 As Amended

Brief Title (Distribution - Hotel Occupancy Tax Revenue)

is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT

Mylia A. Dixon
Council Administrator

Date 1-16-24

ENROLLED

John Vincent
Council President

Date Jan 16 2024

BY THE COUNCIL

Read the third time.

Passed: LSD 24-003

Failed of Passage: _____

By Order

Mylia A. Dixon
Council Administrator

Sealed with the County Seal and presented to the County Executive for approval this 17th Day of January at 3:00 p.m.

Mylia A. Dixon
Council Administrator

BY THE EXECUTIVE



COUNTY EXECUTIVE

APPROVED: Date _____

BY THE COUNCIL

In accordance with Article III, Section 311 of the Harford County Charter, I hereby veto Bill No. 23-034 (As Amended).

1/24/24
Date

John Vincent
County Executive

**BILL NO. 23-034
AS AMENDED**

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. 23-034 (As Amended)

Introduced by Council Members Guthrie, Penman, Boyle-Tsottles and President Vincenti
Legislative Day No. 23-028 Date November 7, 2023

AN ACT to repeal and reenact with amendments, Section 123-68, Distribution of revenue, of Article VII, Hotel Occupancy Tax, of Chapter 123, Finance and Taxation, of the Harford County Code, as amended; **TO REQUIRE 25% OF THE BALANCE OF THE HOTEL TAX COLLECTED TO BE USED FOR THE COUNTY'S DESTINATION MARKETING ORGANIZATION;** to require 50% **25%** of hotel tax revenue collected from hotels in unincorporated areas of the County to be expended for certain purposes in the council district where the hotels are located; and generally relating to hotel occupancy tax and finance and taxation.

By the Council, November 7, 2023

Introduced, read first time, ordered posted and public hearing scheduled:

on: December 5, 2023
at: 6:30 PM

By Order: *Mylin A. Dixon* Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on December 5, 2023, and concluded on December 5, 2023.

Mylin A. Dixon, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

**BILL NO. 23-034
AS AMENDED**

1 Section 1. Be It Enacted By The County Council of Harford County, Maryland, that Section 123-
2 68, Distribution of revenue, of Article VII, Hotel Occupancy Tax, of Chapter 123, Finance and
3 Taxation, of Part II, General Legislation, of the Harford County Code, as amended be, and it is hereby,
4 repealed and re-enacted, with amendments, to read as follows:

5 **Chapter 123. Finance and Taxation**

6 **Article VII. Hotel Occupancy Tax**

7 **§ 123-68. Distribution of Revenue.**

8 A. 50% of the hotel occupancy tax collected from a hotel located within the corporate limits of a
9 municipal corporation in the County shall be paid over to the Mayor and City Council of the municipal
10 corporation.

11 B. [The remaining balance of the hotel occupancy tax revenue shall be paid to the County and
12 dedicated to funding tourism and tourism related activities.] **25% OF THE BALANCE OF THE**

HOTEL OCCUPANCY TAX COLLECTED SHALL BE USED FOR VISIT HARFORD!,

INCORPORATED, THE COUNTY'S DESTINATION MARKETING ORGANIZATION

(DMO). OUT OF THE REMAINING BALANCE, 50% 25% OF THE HOTEL OCCUPANCY

TAX COLLECTED FROM A HOTEL NOT LOCATED IN THE CORPORATE LIMITS OF A

MUNICIPAL CORPORATION IN THE COUNTY SHALL BE PRIORITIZED TO FUNDING

TOURISM AND TOURISM RELATED ACTIVITIES IN THE COUNCIL DISTRICT WHERE

THE HOTELS ARE LOCATED. THE REMAINING 50% LOCATED, AND THE REMAINDER

OF THE HOTEL OCCUPANCY TAX COLLECTED, INCLUDING ANY AMOUNT NOT

EXPENDED IN THE COUNCIL DISTRICT WHERE THE HOTEL IS LOCATED, SHALL

BE DEDICATED TO FUNDING TOURISM AND TOURISM RELATED ACTIVITIES

THROUGHOUT THE COUNTY. ALL REQUESTS FOR THE FUNDING OF TOURISM

RELATED ACTIVITIES MADE BY A COUNCIL MEMBER FOR THEIR DISTRICT WILL BE

FORWARDED DIRECTLY TO THE COUNTY EXECUTIVE FOR CONSIDERATION AND

APPROVAL OF A TOURISM RELATED GRANT. NO FUNDS DERIVED FROM THE HOTEL

TAX SHALL BE USED FOR OR TOWARDS PAYMENT OF ANY CAPITAL PROJECT OR

DEBT RELATING TO A CAPITAL PROJECT.

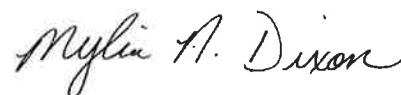
**BILL NO. 23-034
AS AMENDED**

1 C. If a municipal corporation in the County elects to levy an additional hotel tax and contracts
2 with the County to collect this additional tax. Administrative costs for collection shall be retained by
3 the County prior to distribution of their share to the municipal corporation.

4 Section 2. And Be It Further Enacted that this Act shall take effect 60 calendar days from the date
5 it becomes law.

EFFECTIVE:

*The Council Administrator does hereby certify that
seven (7) copies of this Bill are immediately available for
distribution to the public and the press.*



Council Administrator

Chapter C. Charter

Article III. Executive Branch

Section 311. Executive veto.

[Amended by Bill No. 96-37]

Upon its enactment by the Council, any bill, except measures made expressly exempt from the executive veto by the Charter, shall be presented to the County Executive within five calendar days for approval or disapproval. Within twenty-one calendar days after presentation, the bill shall be returned to the Council with an approval endorsed thereon or with a statement, in writing, of the reasons for not approving the same. Upon approval by the County Executive, any such bill shall become law. Upon veto by the County Executive, the veto message shall be entered in the journal of the Council, and not later than at its next legislative session day, the Council may reconsider the bill. If, upon reconsideration, at least five members of the Council vote in the affirmative, the bill shall become law. Whenever the County Executive shall fail to return any bill within twenty-one calendar days after the date of its presentation to the County Executive, the Council Administrator shall forthwith record the fact of such failure in the journal, and the bill shall thereupon become law. The County Executive may disapprove individual items in budget and appropriation bills. Each item or items not disapproved in a budget and appropriation bill shall become law, and each item or items disapproved in a budget and appropriation bill shall be subject to the same procedure as any other bill vetoed by the County Executive.

January 17, 2024

21 Day
CE until
Distribution
Feb 1, 2024

Memorandum

TO: The Honorable Bob Cassilly
Harford County Executive

FROM: Mylia A. Dixon
Council Administrator

RE: Legislation

In Legislative Session on January 16, 2024, the County Council adopted the following legislation:

a. Bill 23-034 (Distribution – Hotel Tax Revenue) As Amended

Legislation with any required attachments is enclosed. Please do not return legislation via inter-office mail. Legislation can be dropped off in the Council lobby with Jeannette or Heather.

Enclosures