(II) THE MUNICIPAL CORPORATION IS LOCATED WITHIN A COUNTY THAT:

1. DISTRIBUTES AT LEAST 50% OF TOTAL HOTEL TAX REVENUES TO PROMOTE TOURISM WITHIN THE COUNTY; OR

2. DOES NOT IMPOSE A TAX ON A TRANSIENT CHARGE PAID TO A HOTEL.

(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A MUNICIPAL CORPORATION SHALL SET THE RATE OF THE HOTEL RENTAL TAX.

(2) THE HOTEL RENTAL TAX FOR A MUNICIPAL CORPORATION MAY NOT EXCEED 2%.

(D) A MUNICIPAL CORPORATION THAT IMPOSES A HOTEL RENTAL TAX MAY:

(1) PROVIDE FOR THE ADMINISTRATION AND COLLECTION OF THE TAX;

(2) PROVIDE FOR ADDITIONAL EXEMPTIONS FROM THE TAX; AND

(3) IMPOSE PENALTIES FOR FAILURE TO COLLECT, REPORT, OR PAY THE TAX.

(E) A MUNICIPAL CORPORATION THAT IMPOSES A HOTEL RENTAL TAX UNDER THIS SECTION SHALL DISTRIBUTE TO A CONVENTION AND VISITORS BUREAU IN THE COUNTY WHERE THE MUNICIPAL CORPORATION IS LOCATED AT LEAST THE SAME PERCENTAGE OF THE HOTEL RENTAL TAX COLLECTED THAT THE COUNTY DISTRIBUTES TO THE CONVENTION AND VISITORS BUREAU FROM ANY COUNTY HOTEL RENTAL TAX.

~~(E)~~ *(F)* IF A COUNTY HAS THE AUTHORITY UNDER SUBTITLE 3 OF THIS TITLE OR ANY OTHER PROVISION OF LAW TO IMPOSE A TAX ON TRANSIENT CHARGES PAID TO HOTELS, TO ACCOMMODATE A TAX IMPOSED UNDER THIS SECTION BY A MUNICIPAL CORPORATION THE COUNTY MAY IMPOSE A TAX RATE ON TRANSIENT CHARGES PAID TO HOTELS LOCATED WITHIN THE MUNICIPAL CORPORATION THAT IS LOWER THAN THE TAX RATE IMPOSED ON TRANSIENT CHARGES PAID TO HOTELS OUTSIDE THE MUNICIPAL CORPORATION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2008.