

ORDINANCE NO. _____

AN ORDINANCE TO AMEND CHAPTER 103, ARTICLE VI (“LODGING TAX”) OF THE CODE OF SUSSEX COUNTY TO INCLUDE THE IMPOSITION OF A LODGING TAX OF THREE PERCENT (3%) OF THE RENT FOR SHORT-TERM RENTALS IN THE UNINCORPORATED AREAS OF SUSSEX COUNTY IN ACCORDANCE WITH 9 DEL. C. § 8112(c) AND 30 DEL. C. § 6201.

1 WHEREAS, House Substitute No. 2 for House Bill No. 168 as amended
2 by House Amendment No. 1 and entitled, “An Act to Amend Titles 9 and 30 of
3 the Delaware Code Relating to Lodging Tax” (“HB 168”) was enacted by the
4 Delaware General Assembly on June 27, 2024, and signed into law by Governor
5 John Carney on October 2, 2024; and
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7 WHEREAS, HB 168, in part, amended Title 30, Part V to create a new
8 Chapter 62, entitled “Short-Term Rental Lodging Tax”, which imposed a lodging
9 tax on short-term rentals located in the State of Delaware; and
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11 WHEREAS, HB 168 also amended 9 *Del. C.* § 8112(c) to authorize
12 Sussex County to impose, by ordinance, a local lodging tax of no more than
13 three percent (3%) of the rent, in addition to the tax imposed by the State, for
14 short-term rentals as defined in 30 *Del. C.* § 6201, that are located within the
15 unincorporated areas of Sussex County; and
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17 WHEREAS, in accordance with 9 *Del. C.* § 8112(c), it is the intent of the
18 Sussex County Council to impose and collect a three percent (3%) lodging tax on
19 short-term rentals in the unincorporated areas of Sussex County in a manner
20 similar to the State.
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22 NOW, THEREFORE, THE COUNTY OF SUSSEX HEREBY ORDAINS:
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24 Section 1. Chapter 103, Article VI (“Lodging Tax”), § 103-39 of the Code
25 of Sussex County is hereby amended by inserting the underlined and italicized
26 language and deleting the bracketed language as follows:
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28 “Article VI Lodging Tax
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30 § 103-39 Definitions.
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32 The definitions in 30 *Del. C.* § 6101 (Lodging Tax Definitions) and 30 *Del.*
33 *C. § 6201 (Short-Term Rental Lodging Tax)* are hereby incorporated by
34 reference.
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36 Section 2. Chapter 103, Article VI (“Lodging Tax”), §§ 103-40A. and B. of
37 the Code of Sussex County are hereby amended by inserting the underlined and
38 italicized language and deleting the bracketed language as follows:

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§ 139-40 Levy of Tax; Exemption; Collection; Payment

- A. A tax is hereby levied at the rate of three percent (3%) of the rent upon every occupancy of a room or rooms in a hotel, motel, [or] tourist home or short-term rental within unincorporated sections of Sussex County. Such tax shall be in addition to the lodging tax imposed by the State pursuant to 30 *Del. C.* §§ 6102 and 6202.

- B. [No lodging tax pursuant to this Article shall be imposed for reservations or contracts paid in full prior to January 1, 2020.]The lodging tax on short-term rentals only applies to short-term rental agreements entered into on or after January 1, 2025.

Section 3. Effective Date. This Ordinance shall become effective January 1, 2025.

Synopsis

In accordance with 9 *Del. C.* § 8112(c), this Ordinance amends Sussex County Code, Chapter 103, Article VI (“Lodging Tax”) §§ 103-39 and 103-40A. and B. to impose a local lodging tax of three percent (3%) of the rent for short-term rentals (as defined in 30 *Del. C.* § 6201) that are located in the unincorporated areas of Sussex County. Such tax shall be in addition to the lodging tax imposed by the State pursuant to 30 *Del. C.* §§ 6102 and 6202. The lodging tax on short-term rentals only applies to short-term rental agreements entered into on or after January 1, 2025.

All new text is underlined and italicized. All deleted text is in brackets.