

9. Specific agency or political subdivisions affected:

Mecklenburg County

10. Technical amendment necessary: None.

11. Other comments:

Under current law, any county may impose a transient occupancy tax at a maximum rate of two percent, upon the adoption of an ordinance, on hotels, motels, boarding houses, travel campgrounds, and other facilities offering guest rooms. The tax, however, does not apply to rooms rented on a continuous occupancy by the same individual or group for 30 or more continuous days.

Mecklenburg County, with a population of 29,200, is the only county that satisfies the population criteria set forth in this bill. Under this bill, Mecklenburg County would be authorized to impose a transient occupancy tax up to a maximum rate of five percent.

Counties Authorized to Impose Additional Transient Occupancy Tax

Code of Virginia § 58.1-3819 authorizes the counties of Arlington, Augusta, Caroline, Dinwiddie, Franklin, Gloucester, James City, Loudoun, Nelson, Page, Prince William, Rockbridge, Spotsylvania, Stafford, Tazewell, and York to impose a transient occupancy tax at a maximum rate of five percent. The revenues from the portion of the tax over two percent must be spent on tourism and promoting tourism.

The counties of Chesterfield, Hanover, and Henrico may impose an additional transient occupancy tax not to exceed six percent (total maximum rate of eight percent). The revenues from the additional six percent must be used to promote tourism and travel in the Richmond Metropolitan area. Code of Virginia § 58.1-3823.

Pursuant to Code of Virginia § 58.1-3820, Arlington County and Roanoke County may impose the tax up to a rate of five percent. Code of Virginia § 58.1-3822 allows Arlington County to impose a ¼% transient occupancy tax effective January 1, 1991 through December 31, 2002. Proceeds collected from the additional ¼% tax must be designated for promoting tourism and business travel.

Other Legislation

House Bill 1761 would authorize Bedford County to increase its transient occupancy tax to a rate not to exceed five percent.

cc: Secretary of Finance

Date: 3/23/01/wbs

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