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SENATE BILL NO. 794

Offered January 8, 2003

Prefiled January 6, 2003

A BILL to amend and reenact §§ 58.1-3819, 58.1-3822, and 58.1-3823 of the Code of Virginia, relating to the use of revenues collected from local transient occupancy taxes.

Patron—Miller, K.G. (By Request)

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-3819, 58.1-3822, and 58.1-3823 of the Code of Virginia are amended and reenacted as follows:

§ 58.1-3819. Transient occupancy tax.

A. Any county, by duly adopted ordinance, may levy a transient occupancy tax on hotels, motels, boarding houses, travel campgrounds, and other facilities offering guest rooms rented out for continuous occupancy for fewer than thirty consecutive days. Such tax shall be in such amount and on such terms as the governing body may, by ordinance, prescribe. Such tax shall not exceed two percent of the amount of charge for the occupancy of any room or space occupied; however, *However*, in any county having a population of no less than 40,000 and no greater than 45,000, and in any county which had adopted the county executive form of government and which is not contiguous to any county operating under the urban county executive form of government; any county having a population of no less than 12,600 and no greater than 12,800; any county having a population of no less than 29,100 and no greater than 29,300 as determined by the 1990 United States Census; any county having a population of no less than 29,750 and no greater than 31,000; any county having a population of no less than 57,000 and no greater than 57,450; any county having a population of no less than 60,000 and no greater than 62,500; in any county having a population of no less than 86,000 and no greater than 86,500; and, in any county having a population of no less than 44,000 and no greater than 45,700, such tax shall not exceed the rate of five percent. The revenues collected from that portion of the tax over two percent shall be designated and spent for promoting tourism, travel or business that generates tourism or travel in the locality. It is further provided that, in any county having a population of no less than 18,000 and no greater than 20,000; any county having a population of no less than 20,500 and no greater than 21,250; any county having a population of no less than 21,500 and no greater than 23,000; any county having a population of no less than 25,100 and no greater than 26,000; any county having a population of no less than 34,500 and no greater than 39,560; any county having a population of no less than 45,900 and no greater than 47,000; any county having a population of no less than 50,000 and no greater than 55,000; and any county which had adopted the county executive form of government and which is contiguous to any county operating under the urban county executive form of government, such county may levy a transient occupancy tax not to exceed five percent, and any excess over two percent shall be designated and spent solely for tourism, marketing of tourism or initiatives that, as determined in consultation with the local tourism industry organizations, attract travelers to the locality and generate tourism revenues in the locality. If there are no local tourism industry organizations in the locality, the governing body shall hold a public hearing prior to making any determination relating to how to attract travelers to the locality and generate tourism revenues in the locality "tourism promotion," in consultation with local tourism industry organizations and in direct support of the local tourism industry. If there are no local tourism industry organizations in the locality, the governing body shall hold a public hearing prior to making any determination relating to how to allocate the revenue to be dedicated to tourism promotion. For purposes of this section, "tourism promotion" shall include direct funding to a local tourism promotion agency including, but not limited to, a convention and visitors bureau or tourism development authority, and also shall include financial support for advertising or marketing activities, publishing and distributing pamphlets and similar materials, conducting research, or engaging in similar promotional activities that attract tourists or business travelers to the area for the use of lodging or meeting and convention facilities located in the area.

B. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for thirty or more days in hotels, motels, boarding houses, travel campgrounds, and other facilities offering guest rooms. In addition, that portion of any tax imposed hereunder in excess of two percent shall not apply to travel campgrounds in any county having a population of no less than 60,000 and no greater than 62,500, regardless of the number of days occupied by the same individual or same group of individuals.

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59 C. Nothing herein contained shall affect any authority heretofore granted to any county, city or town  
60 to levy such a transient occupancy tax. The county tax limitations imposed pursuant to § 58.1-3711 shall  
61 apply to any tax levied under this section, mutatis mutandis.

62 D. Any county, city or town which requires local hotel and motel businesses, or any class thereof, to  
63 collect, account for and remit to such locality a local tax imposed on the consumer, may allow such  
64 businesses a commission for such service in the form of a deduction from the tax remitted. Such  
65 commission shall be provided for by ordinance, which shall set the rate thereof, no less than three  
66 percent, not to exceed five percent of the amount of tax due and accounted for. No commission shall be  
67 allowed if the amount due was delinquent.

68 E. All transient occupancy tax collections shall be deemed to be held in trust for the county, city or  
69 town imposing the tax.

70 § 58.1-3822. Additional transient occupancy tax.

71 In addition to such transient occupancy taxes as are authorized by §§ 58.1-3819 and 58.1-3820,  
72 beginning January 1, 1991, and ending January 1, 2006, any county with the county manager plan of  
73 government may impose an additional transient occupancy tax not to exceed one-fourth of one percent  
74 of the amount of the charge for the occupancy of any room or space occupied. The revenues collected  
75 from the additional tax shall be designated and spent for the purpose of ~~promoting tourism and business~~  
76 ~~travel in the county~~ *"tourism promotion," in consultation with local tourism industry organizations and*  
77 *in direct support of the local tourism industry. If there are no local tourism industry organizations in*  
78 *the locality, the governing body shall hold a public hearing prior to making any determination relating*  
79 *to how to allocate the revenue to be dedicated to tourism promotion. "Tourism promotion" means the*  
80 *same as that term is defined in § 58.1-3819. Such designated funds shall be in addition to the county's*  
81 *previous budgeted amount for the promotion of tourism and business travel.*

82 § 58.1-3823. Additional transient occupancy tax for certain counties.

83 A. In addition to such transient occupancy taxes as are authorized by §§ 58.1-3819 through  
84 58.1-3822, any county having a population of at least 63,300 but not more than 65,000 or at least  
85 200,000 but not more than 210,000 or any county having the county manager form of government may  
86 impose:

87 1. An additional transient occupancy tax not to exceed four percent of the amount of the charge for  
88 the occupancy of any room or space occupied. The tax imposed hereunder shall not apply to rooms or  
89 spaces rented and continuously occupied by the same individual or same group of individuals for thirty  
90 or more days. The revenues collected from the additional tax shall be designated and spent for  
91 ~~promoting tourism, travel or business that generates tourism or travel~~ *"tourism promotion" in the*  
92 *Richmond metropolitan area, in consultation with local tourism industry organizations and in direct*  
93 *support of the local tourism industry. If there are no local tourism industry organizations in the locality,*  
94 *the governing body shall hold a public hearing prior to making any determination relating to how to*  
95 *allocate the revenue to be dedicated to tourism promotion. "Tourism promotion" means the same as that*  
96 *term is defined in § 58.1-3819; and*

97 2. An additional transient occupancy tax not to exceed two percent of the amount of the charge for  
98 the occupancy of any room or space occupied. The tax imposed hereunder shall not apply to rooms or  
99 spaces rented and continuously occupied by the same individual or same group of individuals for thirty  
100 or more days. The revenues collected from the additional tax shall be designated and spent for  
101 expanding the Richmond Centre, a convention and exhibition facility in the City of Richmond.

102 B. In addition to such transient occupancy taxes as are authorized by §§ 58.1-3819 through  
103 58.1-3822, any county with the county manager plan of government may impose an additional transient  
104 occupancy tax not to exceed two percent of the amount of the charge for the occupancy of any room or  
105 space occupied, provided the county's governing body approves the construction of a county conference  
106 center. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied  
107 by the same individual or same group of individuals for thirty or more days. The revenues collected  
108 from the additional tax shall be designated and spent for the design, construction, debt payment, and  
109 operation of such conference center.

110 C. The county tax limitations imposed pursuant to § 58.1-3711 shall apply to any tax levied under  
111 this section, mutatis mutandis.