CHAPTER 733

An Act to amend and reenact § 58.1-3819 of the Code of Virginia, relating to the transient occupancy tax rate.

[S 23]

Approved April 16, 1998

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-3819 of the Code of Virginia is 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, 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 in any county having a population of no less than 57,000 and no greater than 57,450, and in any county having a population of no less than 12,600 and no greater than 12,800, and in any county having a population of no less than 86,000 and no greater than 86,500, 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 any county having a population of no less than 18,500 and no greater than 20,000; 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 36,000; any county having a population of no less than 45,900 and no greater than 47,000; and any county having a population of no less than 50,000 and no greater than 55,000 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.

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.

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

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

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