

**DEPARTMENT OF TAXATION  
2009 Fiscal Impact Statement**

**1. Patron** R. Steven Landes

**3. Committee** House Finance

**4. Title** Transient Occupancy Tax; Single-Family Residences

**2. Bill Number** HB 2587

**House of Origin:**

  X   **Introduced**

       **Substitute**

       **Engrossed**

**Second House:**

       **In Committee**

       **Substitute**

       **Enrolled**

**5. Summary/Purpose:**

This bill would add single-family residences rented out for continuous occupancy for fewer than thirty consecutive days to the list of properties on which any county may levy a transient occupancy tax.

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, when such facilities are rented out for continuous occupancy for fewer than 30 consecutive days.

The effective date of this bill is not specified.

**6. Fiscal Impact Estimates are:** Not available. (See Line 8.)

**7. Budget amendment necessary:** No.

**8. Fiscal implications:**

This bill would have no impact on state revenues. This bill would result in an unknown revenue gain for localities, due to the addition of single-family residences to the list of taxable lodging facilities.

**9. Specific agency or political subdivisions affected:**

All localities

**10. Technical amendment necessary:** No.

## 11. Other comments:

### Generally

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 basis by the same individual or group for thirty or more continuous days. The tax applies to rooms intended or suitable for dwelling and sleeping. Therefore, the tax does not apply to such rooms used for alternative purposes, such as banquet rooms and meeting rooms.

### Proposal

This bill would add single-family residences rented out for continuous occupancy for fewer than thirty consecutive days to the list of properties on which any county may levy a transient occupancy tax.

The effective date of this bill is not specified.

### Other Legislation

**Senate Bill 1029** is identical to this bill.

**House Bill 1917** and **Senate Bill 858** would add Giles County to the list of localities that are currently authorized to impose a transient occupancy tax at a maximum rate of five percent.

**House Bill 1947** would authorize Bath County to impose an additional transient occupancy tax at a maximum rate of three percent, the revenue of which would be designated in one-third increments to: 1) tourism initiatives; 2) construction and improvement of historic sites and tourism facilities; and 3) emergency services.

**House Bill 2017** would clarify that, beginning July 1, 2010, the additional transient occupancy tax authorized in Fairfax County does not apply within the limits of any town located in Fairfax County that imposes a town transient occupancy tax unless the governing body of such town provides that the additional transient occupancy tax shall apply.

**House Bill 2316** would add Smyth County to the list of localities that are currently authorized to impose a transient occupancy tax at a maximum rate of five percent.

**House Bill 2502** and **Senate Bill 1176** would require that authorized counties, in levying a transient occupancy tax greater than two percent, must consult with representatives of lodging properties within the county.

**Senate Bill 1025** would add Greene County to the list of localities currently authorized to impose a transient occupancy tax at a maximum rate of five percent of the charge for the occupancy of any room or space.

cc : Secretary of Finance  
Date: 1/24/2009 KP  
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