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SENATE BILL NO. 254

Offered January 8, 2020

Prefiled January 3, 2020

A *BILL to amend and reenact § 58.1-603.2 of the Code of Virginia and to repeal Chapter 850 of the Acts of Assembly of 2018, relating to the allocation of additional sales and use tax in certain counties and cities of historic significance for the planning and construction of a shared sports facility.*

Patron—Norment

Referred to Committee on Finance and Appropriations

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-603.2 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-603.2. (For contingent expiration date, see Acts 2018, c. 850) Additional state sales and use tax in certain counties and cities of historic significance; Historic Triangle Marketing Fund.

A. For purposes of this section, "Historic Triangle" means all of the City of Williamsburg and the Counties of James City and York.

B. In addition to the sales tax imposed pursuant to §§ 58.1-603 and 58.1-603.1, there is hereby levied and imposed in the Historic Triangle a retail sales tax at the rate of one percent. Such tax shall not be levied upon food purchased for human consumption and essential personal hygiene products, as such terms are defined in § 58.1-611.1. Such tax shall be added to the rate of the state sales tax imposed pursuant to §§ 58.1-603 and 58.1-603.1 in each such county and city and shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed for the tax imposed under this section. Such tax shall be administered and collected by the Tax Commissioner in the same manner and subject to the same penalties as provided for the state sales tax under § 58.1-603.

C. In addition to the use tax imposed pursuant to §§ 58.1-604 and 58.1-604.01, there is hereby levied and imposed in the Historic Triangle a retail use tax at the rate of one percent. Such tax shall not be levied upon food purchased for human consumption and essential personal hygiene products, as such terms are defined in § 58.1-611.1. Such tax shall be added to the rate of the state use tax imposed pursuant to §§ 58.1-604 and 58.1-604.01 in each such county and city and shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed for the tax imposed under this section. Such tax shall be administered and collected by the Tax Commissioner in the same manner and subject to the same penalties as provided for the state use tax under § 58.1-604.

D. The revenue generated and collected pursuant to the tax authorized under this section, less the applicable portion of any refunds to taxpayers, shall be deposited by the Comptroller as follows:

1. Fifty percent of the revenues shall be deposited into the Historic Triangle Marketing Fund created pursuant to subsection E and used for the purposes set forth therein; and

2. Fifty percent of the revenues shall be deposited into a special fund hereby created on the books of the Comptroller under the name "Collections of Historic Triangle Sales Tax" and distributed to the locality in which the sales or use tax was collected. *Each locality receiving revenues pursuant to this subsection shall contribute at least 10 percent of such revenues toward the cooperative planning and construction of a sports facility to be shared by the localities in the Historic Triangle.* The revenues received by a locality pursuant to this subsection shall not be used to reduce the amount of other revenues appropriated by such locality to or for use by the Greater Williamsburg Chamber and Tourism Alliance below the amount provided in fiscal year 2018.

E. 1. There is hereby created in the state treasury a special nonreverting fund to be known as the Historic Triangle Marketing Fund, referred to in this section as "the Fund," to be managed and administered by the Tourism Council of the Greater Williamsburg Chamber and Tourism Alliance. The Fund shall be established on the books of the Comptroller. All revenues generated pursuant to this section shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of marketing, advertising, and promoting the Historic Triangle area as an overnight tourism destination, with the intent to attract visitors from a sufficient distance so as to require an overnight stay of at least one night, as set forth in this subsection. Expenditures and disbursements from the Fund shall be made by the State Treasurer on

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59 warrants issued by the Comptroller upon written request signed by the Secretary of Finance.

60 2. The Tourism Council of the Greater Williamsburg Chamber and Tourism Alliance (the Council)
61 shall consist of members as follows: one member of the James City County Board of Supervisors, one
62 member of the York County Board of Supervisors; one member of the Williamsburg City Council, one
63 representative of the Colonial Williamsburg Foundation, one representative of the Jamestown-Yorktown
64 Foundation, one representative of Busch Gardens Williamsburg, one representative of Historic
65 Jamestowne, one representative of the Williamsburg Hotel and Motel Association, and one representative
66 of the Williamsburg Area Restaurant Association. The Chief Executive Officer of the Virginia Tourism
67 Alliance and the Chief Executive Officer of the Virginia Tourism Corporation shall serve as ex officio,
68 non-voting members of the Council.

69 3. The Council shall establish the Historic Triangle Office of Marketing and Promotion (the Office)
70 to administer a program of marketing, advertising, and promotion to attract visitors to the Historic
71 Triangle area, as required by this subsection. The Council shall use moneys in the Fund to fund the pay
72 for necessary expenses of the Office and to fund the activities of the Office. The Office shall be
73 overseen by a professional with extensive experience in marketing or advertising and in the tourism
74 industry. The Office shall be responsible for (i) developing and implementing, in consultation with the
75 Council, long-term and short-term strategic plans for advertising and promoting the numerous facilities,
76 venues, and attractions devoted to education, historic preservation, amusement, entertainment, and dining
77 in the Historic Triangle as a cohesive and unified travel destination for local, national, and international
78 travelers; (ii) assisting, upon request, with the coordination of cross-advertising and cross-marketing
79 efforts between various tourism venues and destinations in the Historic Triangle region; (iii) identifying
80 strategies for both increasing the number of overnight visitors to the region and increasing the average
81 length of stay of tourists in the region; and (iv) performing any other function related to the promotion
82 of the Historic Triangle region as may be identified by the Council.

83 4. The Council shall report annually on its long-term and short-term strategic plans and the
84 implementation of such plans; marketing efforts; metrics regarding tourism in the Historic Triangle
85 region; use of the funds in the Fund; and any other details relevant to the work of the Council and the
86 Office. Such report shall be delivered no later than December 1 of each year to the managers or chief
87 executive officers of the City of Williamsburg and the Counties of James City and York, and to the
88 Chairmen of the House Committees on Finance and Appropriations and the Senate Committee on
89 Finance.

90 **2. That Chapter 850 of the Acts of Assembly of 2018 is repealed effective July 1, 2021, if the**
91 **City of Williamsburg and the Counties of James City and York do not approve the development**
92 **of a shared sports facility. The City of Williamsburg and the Counties of James City and York**
93 **shall each notify the Department of Taxation within three working days of the adoption of a**
94 **resolution or other official action taken by the respective governing body of each locality**
95 **approving such cooperative development.**