



Albemarle County

Legislation Text

File #: 17-408, **Version:** 1

AGENDA DATE: 6/14/2017

TITLE:

Transient Occupancy Tax Ordinance

SUBJECT/PROPOSAL/REQUEST: Public hearing to consider a proposed ordinance regarding transient occupancy tax

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Walker, Letteri, Kamptner, Herrick, Burrell, Lamb

PRESENTER (S): Betty Burrell

LEGAL REVIEW: Yes

REVIEWED BY: Douglas C. Walker

BACKGROUND: At its March 8, 2017 meeting, the Board expressed its desire to render all residential transient lodging a taxable activity in Albemarle County, and directed staff to accelerate the process of identifying and implementing any necessary changes to the County's tax code and Zoning Ordinance.

County Code §15-900 et seq. provides regulations related to transient occupancy taxation. These regulations provide that the County can only require that a lodging provider collect transient occupancy tax on rental of rooms in a **hotel, motel, boarding house, or travel campground** for fewer than thirty (30) consecutive days of continuous occupancy. These regulations do not include other types of lodging such as bed and breakfasts or guestrooms.

In order to impose the transient occupancy taxes on residential transient lodging, staff recommended to the Board at its May 3, 2017 meeting that it consider amending County Code §15-900 et seq. to include all applicable types of lodging. The Board set the proposed ordinance amendment for a public hearing.

If the Board adopts the attached proposed ordinance (Attachment A), the Finance Department will proactively work to bring all purveyors of residential transient lodging into compliance with the amended tax requirements.

STRATEGIC PLAN: Economic Prosperity: Foster an environment that stimulates diversified job creation, capital investments, and tax revenues that support community goals

DISCUSSION: Staff's attached proposals would revise two sections of Chapter 15 (Taxation) of the County Code:

*** Sec. 15-900 -Definition -** To add "other facility" to the definition of "lodging provider" for transient occupancy tax purposes as enabled by Virginia Code § 58.1-3819.

Purpose of this proposed change: To align County Code with Virginia Code.

Consequence of this change: By adding the term "other facility" to the definition of lodging provider, the County

will be able to expand the imposition of the transient occupancy tax to all properly zoned businesses that offer transient lodging.

* **Sec. 15-901** - Addition of “other [lodging] facilities” - To impose the transient occupancy tax on “other [lodging] facilities” as enabled by Virginia Code § 58.1-3819.

Purpose of this proposed change: To make the transient occupancy taxes fair and equitable for all businesses that provide short-term lodging.

Consequence of this change: Other lodging facilities that provide transient lodging not included in the current ordinance will be required to collect and remit to the County monthly transient occupancy taxes. This change may generate additional revenue for the County although staff cannot estimate the amount of increase revenue at this time.

BUDGET IMPACT: Staff is unable to project the budget impacts of these amendments at this time.

RECOMMENDATION:

Staff recommends that the Board adopt the attached proposed ordinance (Attachment A).

ATTACHMENTS:

A - Proposed Transient Occupancy Tax Ordinance