



Albemarle County

Legislation Text

File #: 24-225, **Version:** 1

AGENDA DATE: 4/3/2024

TITLE:

Schedule Public Hearing to Consider the Adoption of Ordinance to Amend County Code Chapter 15, Taxation related to Article 9, Transient Occupancy Tax

SUBJECT/PROPOSAL/REQUEST: Schedule a public hearing to consider the adoption of an ordinance to amend County Code Chapter 15, Taxation related to Article 9, Transient Occupancy Tax

ITEM TYPE: Consent Action Item

STAFF CONTACT(S): Richardson, Rosenberg, Bessette, Sumner, Bowman, Matheny, Wilson

PRESENTER (S): N/A

LEGAL REVIEW: Yes

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: During the 2020 General Assembly session, Virginia counties received enabling authority in Virginia Code § 58.1-3819 to increase the taxation amount for the transient occupancy. Under the legislation, the limit on the transient occupancy tax was removed.

STRATEGIC PLAN: Mission - To enhance the well-being and quality of life for all community members through the provision of the highest level of public service consistent with the prudent use of public funds.

DISCUSSION: Attachment A provides a summary of the proposed amendment to County Code Chapter 15, Taxation, regarding transient occupancy tax. The proposal would increase the rate from 8% to 9% effective July 1, 2024. Pursuant to direction at the Board of Supervisors' March 25 budget work session, a public hearing would be planned for April 24, 2024 and action requested on May 1, 2024.

BUDGET IMPACT: The proposed ordinance is projected to generate \$871,992 in revenue for FY 25. Pending Board of Supervisors adoption and appropriation, the funding would be allocated according to the County's Allocation of Shared Revenue as defined in the Board of Supervisor's Financial Management Policies, which would be as follows:

- a) 10% or \$87,199 to the Debt and Capital Funds
- b) 54% or \$470,876 to the Public School Operations Fund
- c) 36% or \$313,917 to the General Fund for County Government Operations

This budget impact is anticipated to be included in the Board of Supervisors' FY 25 Proposed Budget, scheduled for action on March 27, 2024, which is after the agenda publishing deadline for this meeting. The FY 25 budget is scheduled for adoption and appropriation on May 1, 2024 after a series of public hearings and engagement.

RECOMMENDATION:

Staff recommends that the Board schedule a public hearing to consider adopting the attached proposed ordinance (Attachment A).

ATTACHMENTS:

A - Proposed Transient occupancy tax ordinance