



Albemarle County

Legislation Text

File #: 22-257, **Version:** 1

AGENDA DATE: 4/20/2022

TITLE:

Public Hearing to Consider the Adoption of an Ordinance to Increase the Transient Occupancy Tax Rate

SUBJECT/PROPOSAL/REQUEST: Public hearing to consider the adoption of an ordinance to amend County Code Chapter 15, Taxation, Article 9, Transient Occupancy Tax, to increase the transient occupancy tax rate

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Richardson, Hudson, Bessette, Birch, Sumner, Lin

PRESENTER (S): Nelsie Birch

LEGAL REVIEW: Yes

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: During the 2020 General Assembly session, Virginia counties received enabling authority to increase the taxation amount on several taxing vehicles, including transient occupancy tax. Under the legislation, the limit on the transient occupancy tax was removed while maintaining that revenue attributable to a rate over two percent but not exceeding five percent must be dedicated to tourism marketing.

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: The proposed ordinance (Attachment A) would revise Chapter 15, , Article 9, Transient Occupancy Tax, to increase the tax from five percent to eight percent, effective July 1, 2022.

The proposed ordinance (Attachment A) will be presented to the Board for adoption on May 4, 2022 as part of the FY 23 budget-related ordinances.

BUDGET IMPACT: Increasing the transient occupancy tax rate would increase tax revenues. For FY 23, the budgetary impacts of these taxes are estimated to be \$1.7M and are incorporated into the FY 23 proposed budget.

RECOMMENDATION:

Staff recommends that the Board hold a public hearing on the attached proposed ordinance (Attachment A), which will be presented to the Board for adoption on May 4, 2022.

ATTACHMENTS:

A - Transient Occupancy Tax Proposed Ordinance