

Issue Analysis Form



Date: May 26, 2020
Ordinance Amending Section 74-302 and Section 74-303 to Increase Transient Occupancy Tax

Item:

Lead Department(s): County Attorney

Contact Person(s): Dan N. Whitten

Description and Current Status

Prince George County requested authority from the General Assembly to raise the transient occupancy tax from five to seven percent. The General Assembly granted such authority during their 2020 session in Senate Bill 255. The new transient occupancy tax rate will go in effect July 1, 2020.

A draft ordinance is attached for consideration; a motion approving authority to advertise the ordinance for a public hearing on June 9, 2020, is requested.

Sample Motion: I move that the Board approve advertisement of an Ordinance to Amend Section 74-302 and Section 74-303 increasing the transient occupancy tax from five percent to seven percent.

Government Path

- Does this require IDA action?** Yes No
- Does this require BZA action?** Yes No
- Does This require Planning Commission Action?** Yes No
- Does this require Board of Supervisors action?** Yes No
- Does this require a public hearing?** Yes No
- If so, before what date?** Yes No

Fiscal Impact Statement

County Impact

Revenues collected from the portion of tax over two percent but not more than five percent shall be designated and spent solely for tourism and travel, marketing of tourism or initiatives that attract travelers to the locality, increase occupancy at lodging properties and generate tourism revenues in the locality. Revenues collected from the portion of tax over five percent shall be designated and expended solely for the purposes of promoting tourism, including marketing generally and marketing Prince George County as an overnight tourist destination, programs, staff, events and capital projects.

Notes

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 26th day of May, 2020:

Present:

Donald R. Hunter, Chairman
Alan R. Carmichael, Vice-Chairman
Floyd M. Brown, Jr.
Marlene J. Waymack
T. J. Webb

Vote:

A-3

On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

RESOLUTION; AUTHORITY TO ADVERTISE AN ORDINANCE TO AMEND "THE CODE OF THE COUNTY OF PRINCE GEORGE, VIRGINIA," AS AMENDED, BY AMENDING SECTION 74-302 AND SECTION 74-303 TO INCREASE THE TRANSIENT OCCUPANCY TAX FROM FIVE PERCENT TO SEVEN PERCENT AND TO CLARIFY HOW THE REVENUE MUST BE UTILIZED

NOW, THEREFORE, BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 26th day of May, 2020, does hereby authorize the advertisement of a public hearing for an ordinance to amend "The Code of the County of Prince George, Virginia," as amended, by amending Section 74-302 and Section 74-303 to increase the transient occupancy tax from five percent to seven percent and to clarify how the revenue must be utilized.

A Copy Teste:

Percy C. Ashcraft
County Administrator

ORDINANCE TO AMEND "THE CODE OF THE COUNTY OF
PRINCE GEORGE, VIRGINIA", 2005, AS AMENDED, BY
AMENDING § 74-302 AND § 74-303 TO INCREASE THE TRANSIENT OCCUPANCY TAX
FROM 5 PERCENT TO 7 PERCENT AND TO CLARIFY HOW THE REVENUE MUST BE
UTILIZED

BE IT ORDAINED by the Board of Supervisors of Prince George County:

*(1) That The Code of the County of Prince George, Virginia, 2005, as amended, is amended
by amending § 74-302 and § 74-303, as follows:*

CHAPTER 74 TAXATION

ARTICLE VIII. TRANSIENT OCCUPANCY TAX

Sec. 74-302. - Imposed; amount.

There is hereby levied and imposed, in addition to all other taxes and fees of every kind imposed by law, on each transient, a tax equivalent to seven ~~five~~ percent of the total amount paid for lodging by or for such transient to any hotel.

(Code 1988, § 13-181; Ord. No. O-05-002, 5-24-2005)

Sec. 74-303. - Use of proceeds.

The proceeds from two (2) percent of the tax imposed by this article shall be set aside and assigned to a capital improvement fund. The revenues collected from that portion of the tax over two (2) percent but not more than five (5) percent shall be designated and spent solely for tourism and travel, marketing of tourism or initiatives that attract travelers to the locality, increase occupancy at lodging properties, and generate tourism revenues in the locality. The revenues collected from that portion of the tax over five (5) percent shall be designated and expended solely for the purposes of promoting tourism, including marketing generally and marketing Prince George County as an overnight tourist destination, programs, staff, events and capital projects.

(Code 1988, § 13-182)

2) *That the Ordinance shall be effective on July 1, 2020.*