

Issue Analysis Form



Date: June 9, 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 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 the ordinance is requested.

The amendment to the ordinances shall be effective July 1, 2020

Sample Motion: I move that the Board approve the Amendment to Sections 74-302 and Section 74-303 of the Code of the County of Prince George, Virginia, increasing the transient occupancy tax from five percent to seven percent, and such amendment shall be effective July 1, 2020.

Government Path

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| Does this require IDA action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does this require BZA action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does This require Planning Commission Action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does this require Board of Supervisors action? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does this require a public hearing? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If so, before what date? | <input type="checkbox"/> Yes | <input type="checkbox"/> 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

ORDINANCE TO WAIVE PENALTIES AND INTEREST UNTIL AUGUST 20, 2020 ON MEALS TAXES AND TRANSIENT OCCUPANCY TAXES

WHEREAS, on April 9, 2020, the Prince George County Board of Supervisors confirmed, pursuant to Virginia Code § 44-146.21, the declaration of emergency in Prince George County; and

WHEREAS, on April 14, 2020, the Board of Supervisors of Prince George County, Virginia adopted an emergency ordinance to waive certain penalty and interest until August 20, 2020 on Meals Taxes and Transient Occupancy Taxes; and

WHEREAS, the emergency ordinance would expire in 60 days unless re-adopted by the Board of Supervisors after public notice in accordance with Virginia Code § 15.2-1427(F); and

WHEREAS the Prince George County Board of Supervisors wishes to assist its residents and businesses as the community contends with the state of emergency and disaster caused by the COVID-19 pandemic; and

WHEREAS the Board of Supervisors has determined that providing taxpayers relief from penalties and interest associated with late remittances of transient occupancy taxes and meals taxes will promote continuity of government and grant needed relief to businesses and individuals affected by the disaster; and

WHEREAS the ordinance will only be effective through August 20, 2020.

NOW THEREFORE, BE IT ORDAINED BY THE PRINCE GEORGE COUNTY BOARD OF SUPERVISORS:

1. Reduction of Penalties and Interest for Late Remittances of Transient Occupancy Taxes.

Notwithstanding Prince George County Code § 74-304 and § 74-306, any person who fails or refuses to remit to the Treasurer transient occupancy taxes first required to be remitted on or between April 20, 2020, and August 20, 2020, will be assessed penalties and interest of zero percent for failing or refusing to remit the taxes, so long as the remittances are made to the Treasurer on or before August 20, 2020. All other requirements regarding transient occupancy taxes shall remain in force, including but not limited to the requirements for recordkeeping and for timely filing of reports of such taxes collected. On August 21, 2020, any person who has failed or refused to remit such taxes to the Treasurer will be assessed penalties and interest in the amount of 10 percent of the tax past due. Any such penalties and interest, when assessed, will become part of the tax.

2. Reduction of Penalties and Interest for Late Remittances of Meals Taxes.

Notwithstanding Prince George County Code § 74-475 and § 74-479, any person who fails or refuses to remit to the Treasurer meals taxes first required to be remitted on or between April 20, 2020, and August 20, 2020, will be assessed penalties and interest of zero percent for failing or refusing to remit the taxes, so long as the remittances are made to the Treasurer on or before August 20, 2020. All other requirements regarding meals taxes shall remain in force, including but not limited to the requirements for recordkeeping and for timely filing of reports of such taxes collected. On August 21, 2020, any person who has failed or refused to remit such taxes to the Treasurer will be assessed penalties and interest on the tax past due. Any such penalties and interest, when assessed, will become part of the tax.

3. **Effective Date. This ordinance shall be effective through August 20, 2020 and expire on August 21, 2020, without further action.**