



Legislation Details (With Text)

File #: 22-0115 **Version:** 1 **Name:** Peddlers and Itinerant Merchants
Type: Ordinance-Coded **Status:** Passed
File created: 3/8/2022 **In control:** City Council Legislative Session
On agenda: 3/23/2022 **Final action:** 3/23/2022
Title: Ordinance to Amend Chapter 18.1, Article II, Division 5, Section 18.1-131(a) of the City Code of the City of Hampton, Virginia, Titled, "Tax; Limitations" as it Pertains to Peddlers and Itinerant Merchants
Sponsors:
Indexes: Commissioner of the Revenue, DO NOT USE - 21 - Routine Administrative
Code sections: Chapter 18.1 Article II Division 5, Section 18.1-1 - Tax; Limitations
Attachments: 1. Sec 18.1-131 Amendment 3.7.23

Date	Ver.	Action By	Action	Result
3/23/2022	1	City Council Legislative Session	approved	Pass

Ordinance to Amend Chapter 18.1, Article II, Division 5, Section 18.1-131(a) of the City Code of the City of Hampton, Virginia, Titled, "Tax; Limitations" as it Pertains to Peddlers and Itinerant Merchants

PURPOSE/BACKGROUND:

Citizens have raised questions regarding the City’s “show and sale” business license, commonly referred to as a “promoter’s license.” “Show and sale” is defined in Hampton City Code §18.1-130(c) as: “a show, consisting of a group of persons or merchants, to stimulate the sale of specific classes of goods, wares, and merchandise. Any person or entity who promotes, sponsors or conducts a show and sale within the city shall obtain an itinerant merchant's license, provided no single show and sale at the same location shall continue for a period exceeding seven (7) days. A license issued to a sponsor shall be in lieu of individual itinerant merchant's licenses otherwise required for each merchant participating in the show and sale. Each person who obtains such license shall be required to report to the commissioner of the revenue and provide a list of participants prior to each event.” Concerns expressed related to both the price and a belief that the license needed to be obtained for each event, as opposed to once per year.

The Commissioner of the Revenue and the City Attorney reviewed the policies and practices of the other six (6) cities in the Hampton Roads Area. No two jurisdictions are identical, but there are some similarities. Suffolk, Virginia Beach, and Norfolk each impose a per event charge in the maximum of \$500.00. Chesapeake, like Hampton, imposes a \$500.00 per year charge. Newport News also imposes a per year charge at the lesser amount of \$325.00. Portsmouth does not have a comparable license, and requires each vendor who participates in "show and sale"- type events to individually obtain licenses at the cost of \$500.00 per year.

The City’s itinerant merchant license is \$500 per year. The Commissioner of the Revenue reports that for tax years 2018 -2021, annual revenues from this license ranged from \$9,000 to \$12,000. In addition, many of those events also result in additional food and beverage and admissions taxes for the City. Based on experience and practice, the Commissioner recommends retaining the \$500 per year charge for this type of activity. The City Attorney reviewed the applicable ordinance and noted

that it does not clearly state that the license is imposed "per year," and therefore recommends the technical amendment that is the subject of this ordinance.

Discussion:

See Purpose/Background above.

Impact:

See Purpose/Background above.

Recommendation:

Approve the Ordinance.

WHEREAS, a business license tax of \$500.00 per year is imposed on certain peddlers and itinerant merchants;

WHEREAS, the applicable ordinance does not clearly state tax is imposed on a "per year" basis;

BE IT ORDAINED by the Council of the City of Hampton, Virginia, that Chapter 18.1, Article II, Division 5, Section 18.1-131 shall be amended and restated as follows:

CHAPTER 18.1 - LICENSES

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ARTICLE II. - CLASSIFICATION OF BUSINESSES

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DIVISION 5. - PEDDLERS AND ITINERANT MERCHANTS

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Sec. 18.1-131. - Tax; limitations.

(a) Every peddler or itinerant merchant, as defined in section 18.1-130, shall pay a license tax, for each year or part thereof, in conformity with the following schedule:

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