



## Legislation Text

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**File #:** 19-0152, **Version:** 1

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Ordinance to Amend and Reenact the City Code of the City of Hampton, Virginia by Amending Chapter 37, Titled "Taxation," Article VIII, Titled "Transient Lodging Tax and Hotel Fee," Section 37-251, Titled "Definitions" and Section 37-252, Titled "Levied; Amount"

### **PURPOSE/BACKGROUND:**

Ordinance to Amend and Reenact the City Code of the City of Hampton, Virginia by Amending Chapter 37, Titled "Taxation," Article VIII, Titled "Transient Lodging Tax and Hotel Fee," Section 37-251, Titled "Definitions" and Section 37-252, Titled "Levied; Amount."

### **Discussion:**

Cities are authorized to impose certain excise taxes pursuant to Code of Virginia Sec.58.1-3840, including a tax on transient room rentals. The City of Hampton imposes such a tax pursuant to the provisions of Hampton City Code Sec. 37-251 *et. seq.*, the Transient Lodging Tax and Hotel Fee. The ordinance proposes to change the City's Hotel/Motel (Transient) Lodging Tax and Fee (Flat Tax) from 8.00%, plus \$1.00 per room, per night to 8.00%, plus \$2.00 per room. This ordinance revision also includes a few clerical edits for consistency with our neighboring localities in the manner in which this levy is described.

If adopted, and for ease in application and administration, this change will apply to all lodging nights which occur on or after July 1, 2019. The public hearings necessary to approve the budget and this proposed tax change were duly advertised in the Daily Press on April 14, 2019 and April 21, 2019. Pursuant to Hampton City Code Sec. 2-50, no ordinance imposing taxes shall be passed on the same day of its introduction. This ordinance is being introduced on May 1, 2019. Final approval will be requested at the City Council meeting on May 8, 2019.

### **Impact:**

Changing the City's Hotel/Motel (Transient) Lodging Tax and Fee (Flat Tax) from 8.00%, plus \$1.00 per room, per night to 8.00%, plus \$2.00 per room, per night will result in estimated additional annual revenues of \$500,000 to be paid by transient guests in the City. This additional revenue will support the City's sports tourism initiative.

### **Recommendation:**

May 1, 2019: Approve on First Reading Only.  
May 8, 2019: Final Approval.

**BE IT ORDAINED** by the City Council of the City of Hampton, Virginia, that Chapter 37, Article VIII and Sections 37-251 and 37-252 of the City Code of the City of Hampton, Virginia be amended

and restated to read as follows:

## ARTICLE VIII. - TRANSIENT LODGING TAX AND HOTEL FEE

### Sec. 37-251. - Definitions.

The following words and phrases, when used in this article, shall, for the purposes of this article, have the following respective meanings, except when the context clearly indicates a different meaning:

*Hotel:* Any public or private hotel, inn, hostelry, tourist home or house, motel, rooming house or other lodging place within the city offering lodging, for compensation, to any transient.

*Hotel Fee:* Any flat tax levied on transient lodging pursuant to Code of Virginia § 58.1-3840, as it may be amended from time to time.

*Lodging:* Space or room furnished any transient, including the cost of all meals, food and other services when furnished with such space or room for a unit price.

*Person:* Any individual, partnership, society, association, joint stock company, corporation, estate or receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination or group of individuals acting as a unit.

*Transient:* Any person who, for a period of not more than ninety (90) consecutive days, either at his own expense or at the expense of another, obtains lodging at any hotel.

### Sec. 37-252. - Levied; amount.

There is hereby imposed and levied by the city, on each transient, a tax equivalent to eight (8) percent of the total amount paid for lodging, by or for any transient, to any hotel, plus a Hotel Fee of two dollars (\$2.00) for each night per room of lodging at any hotel.

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