City of Hampton

Legislation Text

File #: 17-0152, **Version:** 1

Ordinance to Amend and Reenact the City Code of the City of Hampton, Virginia by Amending Chapter 37, Article VIII, Entitled Transient Lodging Tax and Hotel Fee By Amending Sec. 37-251 Pertaining to the Definition of the Term "Transient" Effective and Applied to Consecutive Lodging Nights the First of Which Occurs on or After July 1, 2017

PURPOSE/BACKGROUND:
The current City Code limits the collection of lodging taxes to those in extended stay properties for stays of 60 days or less. This amendment will be effective for all lodging nights the first consecutive day of which occurs on or after July 1, 2017.

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. Currenlty the transient lodging tax and hotel fee are imposed on any person who, for a period of not more than 60 consecutive days, either at his own expense or at the expense of another, obtains lodging at any hotel (as that term is defined by ordinance). The number of requisite days is not set by statute, and may vary by locality. Other cities in the Commonwealth, such as Virginia Beach, utilize 90 consecutive days this purpose. Similarly, the Virginia Department of Taxation imposes the retail sales tax on charges for rooms, lodgings, or accommodations furnished to transients for a period of less than 90 consecutive days.   Consistent with Virginia Beach and the Virginia Department of Taxation, the proposed change increases the applicable days on which the transient lodging tax and hotel fee imposed in the City of Hampton from 60 consecutive days to 90 consecutive days.

If adopted, and for ease in application and administration, this change will apply to all lodging nights the first consecutive day of which occurs on or after July 1, 2017.   The public hearings necessary to approve the budget and this proposed tax change were duly advertised in the Daily Press on April 16, 2017 and April 23, 2017. 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 3, 2017. Final approval will be requested at Council's meeting on May 10, 2017.

Impact:
Changing the City of Hampton's Transient Lodging Tax and Hotel Fee ordinance to increase the applicable lodging days taxed from 60 consecutive days to 90 consecutivey days will result in estimated additional annual revenues of $75,000 to be paid by transient guests in the City.

Recommendation:
May 3, 2017: Approve for First Reading Only.
May 10, 2017: Final Approval.

BE IT ORDAINED by the City Council of the City of Hampton, Virginia, that Chapter 37, Article VIII, Section 37

-251 of the City Code of the City of Hampton, Virginia be amended to read as follows:

CHAPTER 37. TAXATION

. . .

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:

. . .

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.

. . .

This ordinance shall be effective and the amendment applied to all lodging nights the first consecutive day of which occurs on or after July 1, 2017.