Legislation Details (With Text)

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Title:	To amend ch. 12, of the City Code by adding therein a new art. VI, consisting of §§ 12-266-12-277, for the purpose of establishing a tourism improvement district.				
Sponsors:	Mayor Stoney				
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Date	Ver.	Action By	Action	Result
6/12/2023	1	City Council	adopted	Pass
5/22/2023	1	City Council	introduced and referred	

To amend ch. 12, of the City Code by adding therein a new art. VI, consisting of §§ 12-266-12-277, for the purpose of establishing a tourism improvement district.

WHEREAS, the Council determines that the public notice for all hearings required to be held for the creation of a tourism improvement district was published and mailed as required by law and is otherwise sufficient; and

WHEREAS, the Council determines that the requisite number of owners have not filed objections to the establishment of a tourism improvement district as provided in subsection B of § 15.2-2413.4 of the Code of Virginia (1950), as amended; and

WHEREAS, the Council determines that all of the businesses that will be charged a fee will benefit from the establishment of a tourism improvement district; and

WHEREAS, the Council determines that the establishment of a tourism improvement district is in the public interest;

NOW THEREFORE,

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Chapter 12 of the Code of the City of Richmond (2020) be and hereby is amended and reordained by **adding therein a new article** numbered VI, consisting of sections numbered 12-266 through 12-277 as follows:

ARTICLE VI

TOURISM IMPROVEMENT DISTRICT FEE

Sec. 12-266. Definitions.

For the purposes of this article, the following words and phrases shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Accommodations means any room or space for which a fee is imposed on the retail sale pursuant to this article and includes but is not limited to, any public or private hotel, inn, apartment, hostelry, tourist home or house, motel, rooming house, or other lodging place within the city of Richmond offering lodging, and the owner and operator thereof, who for compensation, furnishes lodging to any transients as defined in this article.

Accommodations intermediary means any person, other than an accommodations provider, that (i) facilitates the sale of accommodations and (ii) either (a) charges to or collects from the transient a room charge or (b) charges a fee to the customer, which fee it retains as compensation for facilitating the sale. For purposes of this definition, “facilitates the sale” includes brokering, coordinating, or in any other way arranging for the purchase of the right to use accommodations via a transaction directly, including via one or more payment processors, between a transient and an accommodations provider. Accommodations intermediary does not include a person:

1. If the accommodations are provided by an accommodations provider operating under a

trademark, trade name, or service mark belonging to such person;

2. Who facilitates the sale of accommodations if (i) the price paid by the customer to such person is equal to the price paid by such person to the accommodations provider for the use of the accommodations and (ii) the only compensation received by such person for facilitating the sale of the accommodation is a commission paid from the accommodations provider to such person; or

3. Who is licensed as a real estate licensee pursuant to Article 1 (§ 54.1-2100 et seq.) of Chapter 21 of Title 54.1 of the Code of Virginia (1950), as amended, when acting within the scope of such license.

Accommodations provider means any person that furnishes accommodations to the general public for compensation. The term "furnishes" includes the sale of use or possession or the sale of the right to use or possess.

Collector means the Director of Finance or the designee thereof.

Person means, but is not limited to, individuals, firms, partnerships, associations, corporations, persons acting in representative capacity, and combinations of individuals of whatever form and character.

Plan means the tourism improvement district plan adopted by the Council in Resolution No. 2023-R_____, adopted _____ ___, _____.

Retail Sale means the sale or charges for any room or rooms, lodgings, or accommodations furnished to transients for less than 30 continuous days by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, or any other place in which rooms, lodging, space, or accommodations are regularly furnished to transients for a consideration.

Room charge means the full retail price charged to the transient for the use of the accommodations before taxes. Room charge includes any fee charged to the transient and retained as compensation for

facilitating the sale, whether described as an accommodations fee, facilitation fee, or any other name. Any additional charges made in connection with the rental of accommodations are deemed to be a part of the charge for the room and are subject to the fee. For example, additional charges for movies, local telephone calls and similar services are subject to the fee.

Transient means any person who, for any period of fewer than 30 consecutive days, either at his own expense or at the expense of another, obtains the use or possession of a room or space occupied for lodging in any accommodations as defined in this article, for which lodging or use of space a price is charged.

Sec. 12-267. Tourism Improvement District and fee.

(a) There is hereby established a Tourism Improvement District. The boundaries of the Tourism Improvement District shall be coextensive with the corporate boundaries of the City.

(b) There is hereby levied on each retail sale in the Tourism Improvement District a fee of two percent of the room charge.

Sec. 12-268. Exceptions.

The fee levied pursuant to section 12-267 shall not apply to retail sales paid for by the United States or to transients who are officers or employees of the United States and are incurring the retail sale on the official business of the United States, shall not be imposed upon a retail sale that is not subject to the tax levied pursuant to Article X of Chapter 26, shall not be imposed upon a retail sale made at a facility with fewer than 41 units used as accommodations, and shall not be imposed upon a retail sale made by an accommodations intermediary which is facilitating the sale of accommodations at a facility with fewer than 41 units used as accommodations.

Sec. 12-269. Remittance.

(a) For any retail sale of accommodations not facilitated by an accommodations intermediary, the

accommodations provider shall remit the fee to the collector and shall be liable for the same.

(b) For any retail sale of accommodations facilitated by an accommodations intermediary, the accommodations intermediary shall be deemed under this article as a facility making a retail sale of an accommodation. The accommodations intermediary shall remit the fee to the collector and shall be liable for the same.

(c) The fee shall be the personal obligation of the accommodations provider or the accommodations intermediary, as the case may be. An accommodations provider or accommodations intermediary may recoup the fee from a transient, but if an accommodations provider or accommodations intermediary does so, they shall separately state the fee from the room charge and from all other charges on the bill, invoice, or similar documentation provided to the transient. The failure of a transient to pay the fee to the accommodations provider or to the accommodations intermediary shall not relieve the accommodations provider or the accommodations intermediary of its duty to remit the fee to the collector or its liability for the same.

Sec. 12-270. Reports and remittances.

(a) The person incurring the fee shall make out a report upon such forms and setting forth such information as the collector may prescribe and require, showing the total room charge paid by a transient for the use or possession of accommodations occupied by or for a transient and the fee incurred. The report shall be submitted to the collector.

(b) The collector shall determine whether the report is in proper form.

(c) The person incurring the fee shall remit the fee to the collector.

(d) The reports and remittances required by this section shall be made on or before the 20th day of the month following each month and shall cover the amount of the fee incurred during the preceding month.

Sec. 12-271. Interest and late fees.

If any person shall fail, refuse, or neglect to remit to the collector the fee incurred under this article within the time and in the amount specified in this chapter, there shall be added to such fee interest at the rate of ten percent per annum from the first day following the day such fee is due upon the amount of the fee for each year or portion thereof from the date upon which the fee is due as provided in this chapter.

If any person shall fail, refuse, or neglect to remit to the collector any fees required to be paid under this article within the time and amount specified, there shall be added to such fee a late fee of 10 percent or $10.00, whichever is greater. In no case shall the late fee exceed the amount of the fee.

Sec. 12-272. Determination of fee due by the collector.

If any person required to remit the fee imposed by this article fails to file a report, or if the collector has reasonable cause to believe that an erroneous report has been filed, the collector may proceed to determine the amount due to the City and, in connection therewith, shall make such investigations and take such testimony and other evidence as may be necessary; provided, however, that notice and opportunity to be heard shall be given any person who may become liable for the amount owing prior to any determination by the collector.

Sec. 12-273. Cessation of business; report and fee due immediately.

Whenever any person incurring a fee under this article shall quit or otherwise dispose of their business, any fee under the provisions of this article shall become immediately due, and such person shall immediately make a report and pay the fee due.

Sec. 12-274. Collector; other powers and duties.

It shall be the duty of the collector to ascertain the name of every person (i) operating a hotel in the city and (ii) liable for the fee levied in accordance with this article. The collector shall have the power to adopt rules and regulations not inconsistent with the provisions of this article for the purpose of determining the amount due to the City under this article. A copy of such rules and regulations shall be on file and available for public

examination in the collector's office.

Sec. 12-275. Enforcement.

If any person fails to pay any fee, late fee, or interest provided in this article, including a fee, late fee, or interest determined by the collector pursuant to Section 12-272, then the collector may bring suit in a court of competent jurisdiction to obtain judgment against such person for the amount due. When obtained, the collector may enforce such judgment by any means provided by applicable law for the collection of judgments.

Sec. 12-276. Disposition of fee revenues.

The revenues collected from the fee, late fee, and interest provided in this article shall be appropriated to the administering nonprofit identified in the plan. The administering nonprofit shall use the revenues for the purposes identified in the plan.

Sec. 12-277. Expiration.

The provisions of this ordinance shall expire on June 30, 2033.

§ 2. This ordinance shall be in force and effect upon adoption.

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