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AN ORDINANCE TO AMEND SECTION 35-159 OF THE CITY CODE PERTAINING TO TAX ON TRANSIENTS OBTAINING LODGING AND TO REDUCE RELATED APPROPRIATIONS AND ESTIMATED REVENUES ACCORDINGLY

WHEREAS, in the FY 2015-16 Operating Budget, City Council approved an increase in the hotel flat tax from \$1.00 to \$2.00 to assist with debt service on public infrastructure capital projects supporting the Arena, which is to take effect January 1, 2016; and

WHEREAS, \$743,829 of funding from the rate increase will not be needed in the Tourism Investment Program until January 1, 2017, as work on the infrastructure projects is being delayed due to schedule changes in the Arena project.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

- 1. That Section 35-159 of the Code of the City of Virginia Beach is hereby amended and reordained to read as follows:

**Sec. 35-159. Levied; amount.**

(a) There is hereby levied and imposed on each transient a tax equivalent to eight (8) percent of the total amount paid for lodging, by or for any such transient, to any lodging place, plus a flat tax of two-dollars (\$2.00) for each night of lodging at any lodging place other than a campground. The percentage-based portion of the tax rate shall be reduced by one-half (0.5) percent on July 1, 2018 and further reduced by an additional two and one-half (2.5) percent on June 30, 2027. One dollar (\$1.00) of the flat tax shall remain in effect through June 30, 2018, and the remaining one dollar (\$1.00) shall be in effect January 1, 2017 through December 31, ~~2020~~ 2021.

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- 2. That \$743,829 in appropriations in the Tourism Investment Program Fund in the FY 2016 Budget are hereby reduced, with estimated revenues from the Transient Occupancy Tax reduced in the same amount.

Adopted by the Council of the City of Virginia Beach, Virginia on the 3rd day of November 2015.

*Requires an affirmative vote by a majority of all of the members of City Council.*

APPROVED AS TO CONTENT:

APPROVED AS TO LEGAL SUFFICIENCY:

  
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Budget and Management Services

  
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City Attorney's Office