

1 AN ORDINANCE TO ADD SECTION 35-169 TO THE
2 CITY CODE REGARDING TRANSIENT OCCUPANCY
3 TAXES

4
5 SECTION ADDED: § 35-169
6

7 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
8 VIRGINIA BEACH, VIRGINIA:
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10 1. That Section 35-169 is added to the Code of the City of Virginia Beach, Virginia,
11 to read as follows:
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13 **Section 35-169. Registration of a lodging place or other place offering lodging to**
14 **transients; bond; enforcement thereon.**
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16 (a) A lodging place or other place offering lodging for transients shall within 30 days of
17 holding itself out as offering lodging for transients register with the commissioner of
18 the revenue to allow the remittance of transient occupancy taxes as provided in this
19 article. For lodging places that are registered for remittance of transient occupancy
20 taxes with the commissioner of the revenue through the business license application
21 process, there is no separate registration requirement imposed by this section.
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23 (b) A lodging place or other place offering lodging to transients shall post a bond with
24 corporate surety to insure faithful performance of the duties to the city as to transient
25 occupancy taxes collected and held in trust for the city upon the occurrence of either
26 of the following events:
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- 28 1. The failure to register such business with the commissioner for collection and
29 remittance of transient occupancy taxes; or
- 30 2. The failure to remit transient occupancy taxes as required by this article.
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32 (c) The bond, including the corporate surety thereon, required by subsection (b), shall
33 be in a form deemed satisfactory to the city attorney. The bond shall be in an
34 amount of one thousand dollars (\$1,000) and shall be in force until the one-year
35 anniversary of the requirement to obtain such bond.
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37 (d) The commissioner of the revenue may accept a cash bond or an irrevocable letter of
38 credit in lieu of the bond required by this section, provided that the letter or bond
39 must be reviewed and approved by the city attorney.
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41 (e) A lodging place or other place offering lodging to transients that fails, after 30 days
42 of being informed of such requirement, to obtain a bond or other form of security set
43 forth in this section shall be subject to a penal fine of one thousand dollars (\$1,000).
44 Such fine shall be in addition to all other remedies for failure to collect and remit
45 transient occupancy taxes provided by this article or the Code of Virginia. For
46 purposes of the 30 days set forth in this subsection, such notice is effective on the
47 date received or three business days after mailing by the commissioner of the
48 revenue, whichever is sooner.

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(f) The commissioner of the revenue is empowered to take appropriate action against the bond or other form of security described in this section upon notification by the city treasurer of nonpayment of lodging taxes by any business required herein to obtain a bond.

(g) The time periods set forth in this section may be extended by the commissioner of the revenue if the commissioner of the revenue finds good cause for such extension and provided such determination is set forth in writing. No such extension may exceed thirty days.

2. This ordinance shall be effective immediately. To allow the orderly processing of registration and communication with the various affected parties, the registration requirement and the consequences for failure to register shall be suspended for the 45 days after adoption.

Adopted by the Council of the City of Virginia Beach, Virginia on the 10th day of August 2016.

APPROVED AS TO CONTENT:

APPROVED AS TO LEGAL SUFFICIENCY:



Commissioner of the Revenue



City Attorney's Office

CA13795
R-1
August 4, 2016