



Legislation Text

File #: 18-7674, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 27, 2018

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Introduction and First Reading. Consideration. Passage on First Reading of an Ordinance to Amend and Reordain Section 3-2-142 (LEVY AND RATE) of Article K (TRANSIENT LODGING TAX) of Chapter 2 (TAXATION) of Title 3 (FINANCE, TAXATION AND PROCUREMENT) of the Code of the City of Alexandria, Virginia, 1981, as amended.

ISSUE: Consideration of an ordinance to amend and reordain City Code Section 3-2-142 to increase the Transient Lodging Tax of \$1 per day of room rental to \$1.25. The base rate of 6.5% of the total amount paid for room rental remains unchanged.

RECOMMENDATION: That City Council pass the proposed ordinance (Attachment 2) on first reading and schedule it for second reading and public hearing, and final passage on Saturday, May 12, 2018.

DISCUSSION: The existing Transient Lodging rate structure of 6.5% plus \$1 per each day of rental has been in place since FY 2009. In addition to this General Fund revenue, Northern Virginia localities also collect a 2% rental charge on behalf of the Northern Virginia Transportation Authority (NVTA).

As part of its deliberation on the FY 2019 Proposed Budget, City Council supported a twenty-five cent increase to the daily rental charge, increasing it from \$1 to \$1.25 per day of room rental. This rate change will increase non-departmental contingent funding to help address public safety recruitment and retention issues.

FISCAL IMPACT: Staff estimates that raising the room rental charge by \$0.25 will generate approximately \$286,000 per year.

ATTACHMENTS:

Attachment 1 - Proposed Ordinance Cover

Attachment 2 - Proposed Ordinance Amendment

STAFF:

Laura B. Triggs, Deputy City Manager

Kendel Taylor, Director of Finance

Kevin C. Greenlief, Assistant Director, Revenue Division, Finance

Sarah McElveen, Assistant City Attorney