



Legislation Text

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City of Alexandria, Virginia

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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.

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**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