

Laurie Gearheart
Director of Finance and
Management Services

County of Roanoke



Memo

To: Roanoke County Board of Supervisors

From: Laurie Gearheart, Director of Finance and Management Services

Date: February 18, 2022

Subject: Fiscal Year 2023 Budget Memo #2: Agreement with Roanoke Valley Convention and Visitors Bureau (RVCVB)

During a work session with the Board of Supervisors on Tuesday, February 8, 2022 to discuss the FY 2022-2023 Revenue Outlook, Board members asked about the agreement with the Roanoke Valley Convention and Visitors Bureau (RVCVB), also referred to as Visit Virginia's Blue Ridge (VVBR). Specifically, Board members inquired on the origin and terms of the agreement.

In 2012, Section 58.1-3819.1 of the Code of Virginia authorized the increase of transient occupancy tax from 5% to 7% for Roanoke County. It specifies the "two percent tax rate increase shall be designated and expended solely for advertising the Roanoke metropolitan area as an overnight tourist destination by members of the Roanoke Valley Convention and Visitors Bureau." This section further states, "For purposes of this subsection", "advertising the Roanoke metropolitan area as an overnight tourism destination" means advertising that is intended to attract visitors from a sufficient distance so as to require an overnight stay."

Effective January 1, 2013, the attached Ordinance 082812-4 amended Section 21-202 of Roanoke County code to provide for an increase in the transient occupancy tax (from 5% to 7%). This approved ordinance also designated for the use of the proceeds to the RVCVB.

The County's contract with the RVCVB has an automatic renewal on July 1 of each year. The County can end the contract by providing notification prior to May 1 of the current fiscal year. The increase of the transient occupancy tax from 5% to 7% was intended solely for advertising the Roanoke Metropolitan area as an overnight tourist destination by members of the RVCVB. If the contract were to end, the transient occupancy tax would need to be reduced back to 5%.

The Roanoke Valley Convention and Visitors Bureau works to provide information on accommodations, attractions, recreation, dining, and more in Virginia's Blue Ridge for

convention, meeting, and leisure travelers. Funding is requested from Roanoke County, City of Roanoke, City of Salem, Botetourt County, and Franklin County. The regional agreement, dated January 1, 2013, indicates that beginning in Fiscal Year 2014, Roanoke County must provide 3/7ths (three-sevenths) of transient occupancy receipts in quarterly payments.

If you have any additional questions, please contact me at 540-283-8126 or llgearheart@roanokecountyva.gov.

cc: Richard Caywood, County Administrator
Rebecca Owens, Deputy County Administrator
Doug Blount, Assistant County Administrator
Peter Lubeck, County Attorney

AT A REGULAR MEETING OF THE BOARD OF SUPERVISORS OF ROANOKE COUNTY, VIRGINIA, HELD AT THE ROANOKE COUNTY ADMINISTRATION CENTER ON TUESDAY, AUGUST 28, 2012

ORDINANCE 082812-4 AMENDING SECTION 21-202 OF THE ROANOKE COUNTY CODE PROVIDING FOR AN INCREASE IN THE TRANSIENT OCCUPANCY TAX, DESIGNATION FOR THE USE OF THE PROCEEDS AND A DELAYED EFFECTIVE DATE

WHEREAS, the 2012 session of the Virginia General Assembly amended Section 58.1-3819.1 of the Code of Virginia to allow Roanoke County to increase its transient occupancy tax from five percent (5%) to seven percent (7%); and

WHEREAS, this increase in the transient occupancy tax must be “expended solely for advertising the Roanoke metropolitan area as an overnight tourist destination by members of the Roanoke Valley Convention and Visitors Bureau” as provided in Chapter 340 of the Acts of Assembly; and

WHEREAS, the first reading of this ordinance was held on August 14, 2012, and the second reading and public hearing was held on August 28, 2012, after the publication of legal notice as required by law.

BE IT ORDAINED, By the Board of Supervisors of Roanoke County, Virginia, as follows:

1. That Section 21-202 is hereby amended and reenacted as follows:

Sec. 21-202 Levied; rate

There is hereby imposed a transient occupancy tax on hotels and travel campgrounds on each and every transient, equivalent to seven (7) percent of the total amount of charge for the occupancy of any room or space provided. Said tax constitutes a debt

owed by the transient to the county which is extinguished only by payment to the operator or to the county. The transient shall pay the tax to the operator of the hotel or travel campground at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel or travel campground.

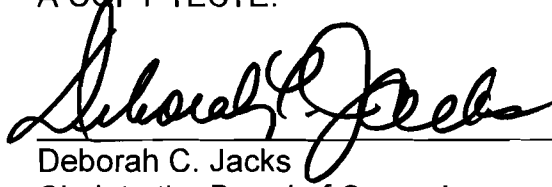
2. That the proceeds from the increase in this tax from five percent (5%) to seven percent (7%) shall be designated and expended solely for advertising the Roanoke metropolitan area as an overnight tourist destination by members of the Roanoke Valley Convention and Visitors Bureau. For purposes of this ordinance, "advertising the Roanoke metropolitan area as an overnight tourism destination" means advertising that is intended to attract visitors from a sufficient distance so as to require an overnight stay.
3. That this ordinance shall become effective from and after January 1, 2013.

On motion of Supervisor Flora to adopt the ordinance, with a request that staff evaluate the impact on Roanoke County and the Roanoke Valley after January 1, 2017 and carried by the following roll call and recorded vote:

AYES: Supervisors Moore, Altizer, Church, Elswick, Flora

NAYS: None

A COPY TESTE:

A handwritten signature in black ink, appearing to read "Deborah C. Jacks", written over a horizontal line.

Deborah C. Jacks
Clerk to the Board of Supervisors

cc: Paul M. Mahoney, County Attorney
B. Clayton Goodman III, County Administrator