



# City of Harrisonburg, Virginia

## Office of the City Manager

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Kurt D. Hodgen  
City Manager

TO: Kurt Hodgen, City Manager  
FROM: Wesley Russ, Assistant City Attorney  
DATE: June 5, 2017  
RE: Meals and Lodging Tax Increases

**Summary:** Consider amending and re-enacting Section 4-2-77 to increase the transient occupancy (lodging) tax to seven (7) percent, and amending and re-enacting Section 4-2-87 to increase the meals tax to seven (7) percent.

**Background:** N/A

**Key Issues:** The meals and lodging tax rate increases were recommended to City Council during its April 25, 2017 meeting as part of the proposed FY 2017-2017 budget, and incorporated into the Appropriation Ordinance adopted on May 9, 2017.

Additionally, the amendments will remove language regarding future changes in these rates being done via the annual appropriation ordinance.

**Environmental Impact:** n/a

**Fiscal Impact:** Together, these two increases in tax rates are projected to generate approximately \$1.2 million in revenue.

**Prior Actions:** Sections 4-2-77 and 4-2-87 were last amended on June 12, 2012.

**Alternatives:**

- (a) Approve amending and re-enacting both ordinances as proposed;
- (b) Approve amending and re-enacting parts of either or both ordinances; or
- (c) Deny amending and re-enacting ordinances.

**Community Engagement:** n/a

**Recommendation:** Staff recommends approval of the amendments as proposed.

**Attachments:**

- 1. Red-lined copy of Sec. 4-2-77.
- 2. Clean copy of Sec. 4-2-77.
- 3. Red-lined copy of Sec. 4-2-87.
- 4. Clean copy of Sec. 4-2-87.

RE:

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**Review:**

*The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.*

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