

Policy Briefing Summary

City Council



Regarding:	Ordinance to Amend and Reenact Article IX (Transient Occupancy Tax) of Chapter 30 (Taxation) of the Code of the City of Charlottesville, Virginia (1990)
Staff Contact(s):	
Presenter:	Todd Divers, Commissioner of the Revenue
Date of Proposed Action:	June 2, 2025

Issue

Chapter 30, Article IX, of the Code of the City of Charlottesville, Virginia (1990), as amended (“City Code”), containing the City’s transient occupancy tax provisions, requires changes to align said City Code Sections with recent changes in legislation adopted by the 2025 General Assembly.

This is also good time to also update the City Code with some terminology to align with the Virginia Code.

Background / Rule

After years of wrangling with AirBnB over its role in providing localities with the data that will allow local tax assessors to fairly and equitably administer transient occupancy and other local taxes, HB 2398 passed the 2025 General Assembly. That legislation removed the language on which AirBnB was basing its (dubious) claim that sharing address and gross receipts data was a violation of its hosts' privacy. In return, HB 2398 strengthened the secrecy provisions related to data shared by accommodations intermediaries (e.g., AirBnB, VRBO, etc...), and created a mechanism, whereby hosts who book exclusively through intermediaries, can avoid having to file monthly transient occupancy tax reports.

The Commissioner of the Revenue’s (“COR”) Office also desires to take this opportunity to update some terminology in the City Code to align with the Virginia Code. The import or meaning of the terminology will remain unchanged.

Analysis

The attached, proposed Ordinance, consistent with the changes enacted by the 2025 General Assembly, will exempt accommodations providers (commonly referred to as “hosts” on many online platforms) from the requirement that they file a monthly transient occupancy tax return, if they file an annual attestation that all of their bookings are facilitated by a lodging intermediary (e.g., AirBnB, VRBO, etc...). In exchange for this new language in the Virginia Code (and reinforced secrecy provisions concerning such data), AirBnB dropped its objection to providing local tax officials with the gross receipts and location addresses of bookings in their jurisdictions. Accommodations facilitators are already collecting transient occupancy tax and remitting it to localities.

Accommodations providers are still required to file a transient occupancy tax return for any accommodations not facilitated by an accommodations intermediary, and are required to collect and remit the tax on such bookings as had previously been the case.

Additionally, the COR’s Office is taking this opportunity to bring the terminology and definitions in the City Code in line with those contained in the Virginia Code. For instance, City Code Sec.30-251 *et seq.*

currently references “lodging,” “lodging fee,” “lodging intermediaries,” “lodging providers,” (etc ...). Whereas, Virginia Code § 58.1-3818.8 *et seq.* references “accommodation,” “accommodations fee,” “accommodations intermediary,” “accommodations provider,” (etc ...), with essentially the same meanings. The COR’s Office believes that mirroring the Virginia Code language will alleviate any potential confusion over terminology.

Financial Impact

N/A

Recommendation

The COR recommends City Council adopt the attached Ordinance.

Recommended Motion (if Applicable)

"I make a Motion to adopt the attached Ordinance amending and reenacting Chapter 30 (Taxation), Article IX (Transient Occupancy Tax) of the Code of the City of Charlottesville, Virginia (1990), as amended, to conform the City’s process for collection and reporting of the transient occupancy tax with recent changes in State enabling legislation, and to align certain terminology and definitions with the Virginia Code."

Attachments

1. Ordinance Amending and Reenacting Chapter 30, Article IX of the Code of the City of Charlottesville, Virginia (1990), as Amended