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**SENATE BILL NO. 314**

Offered January 14, 2026

Prefiled January 13, 2026

*A BILL to amend and reenact §§ 15.2-2413.1, 15.2-2413.10, and 58.1-3825.3 of the Code of Virginia, relating to tourism improvement districts; transient occupancy tax; Arlington County.*

Patrons—Ebbin and Favola

Referred to Committee on Local Government

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 15.2-2413.1, 15.2-2413.10, and 58.1-3825.3 of the Code of Virginia are amended and reenacted as follows:**

**§ 15.2-2413.1. Definitions.**

As used in this article, unless the context requires a different meaning:

"Activities" means any programs or services provided for the purpose of conferring specific benefits upon the businesses that are located in the tourism improvement district and to which a fee is charged.

"Administering nonprofit" means a private nonprofit entity that is under contract with a locality to administer or implement activities specified in the tourism improvement district plan. An "administering nonprofit" may be an existing nonprofit entity or a newly formed nonprofit entity. An "administering nonprofit" shall be a private entity and shall not be considered a public entity for any purpose, nor may its board members or staff be considered public officials for any purpose.

"Benefited business" means a business located within a tourism improvement district that is determined to be benefited, directly or indirectly, by tourism improvement district activities provided by such tourism improvement district. "Benefited business" includes one or more types of businesses, one or more segments of businesses, or businesses within one or more industries, as set forth in a tourism improvement district plan.

"Benefit zone" means an apportioned area designated within a tourism improvement district in which businesses pay a fee based upon the degree of benefit derived from activities to be provided.

"Business" means a business of any kind located in a tourism improvement district.

"Business fee" means any fee charged to a benefited business pursuant to this article.

"Business owner" means any person recognized by a locality as the owner of a business subject to a business fee. A business may appoint an authorized agent to act as its representative for the purposes of this article. Such agent shall be considered the business owner for the purposes of any signature required under this article or for any other purpose authorized by the business owner. A locality shall have no obligation to obtain other information as to the ownership of businesses, and its determination of ownership shall be final and conclusive for the purposes of this article.

"Capital improvement" means an improvement to tangible personal property with an estimated useful life of five years or more.

"Fee" means a fee charged by a locality in accordance with a tourism improvement district plan.

"Lead locality" means the locality in which the tourism improvement district plan is filed for the establishment of a tourism improvement district where such district includes more than one locality.

"Locality" means any county, city, or town in the Commonwealth.

"Majority share of benefited businesses" means one or more benefited businesses within a tourism improvement district or proposed tourism improvement district that cumulatively comprise a majority, based on the weighting methodology set forth in the tourism improvement district plan.

"Tourism business" means any type of business in the tourism sector. "Tourism business" includes a tourist home, hotel, motel, trailer court, recreational vehicle park, privately owned or privately managed campground, lodging intended for short-term occupancy, restaurant, tourism attraction, and tourism activity provider.

"Tourism entity" means the same as that term is defined in § 2.2-2320.2.

"Tourism improvement district" means a district established by a locality under the provisions of this article.

"Tourism improvement district plan" means a proposal for a tourism improvement district under the provisions of this article.

**§ 15.2-2413.10. Administering nonprofit.**

A. Any locality establishing a tourism improvement district may contract with an administering nonprofit for the purpose of carrying out such activities as may be prescribed in the tourism improvement district plan.

B. The administering nonprofit may make recommendations to the locality with respect to any matter involving or relating to the tourism improvement district.

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59       C. Where the tourism entity for a locality is a division of the locality, the administering nonprofit may  
60 enter into written agreements with the tourism entity for professional services for the purpose of carrying out  
61 such activities as may be prescribed in the tourism improvement district plan.

62       D. If the administering nonprofit is formed on or after July 1, 2026 for the purpose of carrying out such  
63 activities as may be prescribed in the tourism improvement district plan, such newly formed administering  
64 nonprofit's board of directors shall be wholly composed of business owners.

65       E. An administering nonprofit in existence prior to July 1, 2026 shall create a committee of business  
66 owners who shall oversee the activities prescribed in the tourism improvement district plan.

67       **§ 58.1-3825.3. Additional transient occupancy tax in Arlington County.**

68       In addition to the transient occupancy tax authorized by § 58.1-3819, Arlington County may impose an  
69 additional transient occupancy tax not to exceed ~~one-fourth of~~ one percent of the total price paid by the  
70 customer for the use or possession of any room or space occupied in a retail sale. The revenues collected from  
71 the additional tax shall be designated and spent for the purpose of promoting tourism and business travel in  
72 the county.