

26107288D

SENATE BILL NO. 314

FLOOR AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by Senator Ebbin
on February 5, 2026)

(Patron Prior to Substitute—Senator Ebbin)

*A BILL to amend and reenact §§ 15.2-2413.1 and 15.2-2413.10 of the Code of Virginia, relating to tourism improvement districts; administering nonprofits.***Be it enacted by the General Assembly of Virginia:****1. That §§ 15.2-2413.1 and 15.2-2413.10 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.

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

D. If the administering nonprofit is formed on or after July 1, 2026 for the purpose of carrying out such

SENATE SUBSTITUTE

SB314S1

60 *activities as may be prescribed in the tourism improvement district plan, such newly formed administering*
61 *nonprofit's board of directors shall be wholly composed of business owners.*
62 *E. An administering nonprofit in existence prior to July 1, 2026 shall create a committee of business*
63 *owners who shall oversee the activities prescribed in the tourism improvement district plan.*