CITY OF FAYETTEVILLE
ORDINANCE NO. 2015-03

AN ORDINANCE LEVYING A PRIVILEGE TAX UPON THE OCCUPANCY IN ANY HOTEL OR MOTEL OR ANY PLACE IN WHICH ROOMS, LODGINGS OR ACCOMMODATIONS ARE FURNISHED TO TRANSIENTS FOR A CONSIDERATION.

WHEREAS, Tennessee Code Annotated (TCA) 67-4-1401 authorizes the levy by ordinance of a hotel/motel tax by any city with home rule in accordance with the Tennessee Constitution, Article XI, Section 9, and SB0186; now,

THEREFORE, BE IT ORDAINED by the Board of Mayor and Aldermen of the City of Fayetteville, Tennessee as follows:

Section 1. Definitions. As used in this ordinance:

(1) Consideration means the consideration charged, whether or not received, for the occupancy in a hotel valued in money, goods, labor or otherwise, including all receipts, cash, credits, property and services of any kind or nature without any deduction therefrom whatsoever;

(2) Hotel means any structure or space, or any portion thereof, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist camp, tourist cabin, motel or any place in which rooms, lodgings or accommodations are furnished to transients for a consideration;

(3) Occupancy means the use or possession, or the right to use or possession, of any room, lodgings or accommodations in any hotel;

(4) Operator means the person operating the hotel whether as owner, lessee or otherwise.

(5) Persons means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, estate, trust, business trust, receiver, trustee, syndicate or any other group or combination acting as a unit; and

(6) Transient means any person who exercises occupancy or is entitled to occupancy of any rooms, lodgings or accommodations in a hotel for a period of less than thirty (30) continuous days.

Section 2. Permit Required. No person will conduct, keep, manage, operate or cause to be conducted, kept, managed or operated, either as owner, lessor, agent or attorney, any hotel in the city without having obtained a permit from the city administrator or his designee to do so.

Section 3. Fee. The fee for each hotel permit will be twenty-five ($25.00).

Section 4. Not Transferable. No permit issued under the ordinance shall be transferred or assigned.

Section 5. Duration. Hotel permits shall be issued annually and shall expire on the last day of December of each year.

Section 6. Register Required; Availability for Inspection. Every person to whom a permit is issued under this ordinance shall at all times keep a standard hotel register, in which shall be inscribed the names of all guests renting or occupying rooms in his hotel. Such register shall be signed in every case by the persons renting a room or by someone under his direction, and after registration is made and the name of the guest is inscribed as herein provided, the manager shall write the number of the room which guest is to occupy, together with the time such room is rented, before such person is permitted to occupy such room. The register shall be open to inspection at all times to the city administrator or his designee.

Section 7. Rooms to be Numbered. Each sleeping room and apartment in every hotel in the city shall be numbered in a plain and conspicuous manner. The number of each room shall be placed on the outside of the door of such room, and no two (2) doors shall bear the same number.

Section 8. Privilege tax levied; use.

(A) Pursuant to the provisions of TCA '67-4-1401 through TCA '67-4-1425, there is hereby levied a privilege of occupancy in any hotel of each transient. From and after the operative date of this ordinance the rate of the levy shall be **3.5%** of the consideration charged by the operator. This privilege tax shall be collected pursuant to and subject to the provisions of these statutory provisions. The City Administrator shall be designed as the authorized collector to administer and enforce this ordinance and these statutory provisions.

(B) The proceeds received from this tax shall be available for the city's general fund exclusively for tourism development. Proceeds of this tax may not be used to provide a subsidy in any form to any hotel or motel.

Section 9. Payment of the Tax. Payment of the tax by the motel to the city shall be no later than the 20th day of each month for the preceding month.

Section 10. Compensation to the Hotel. The hotel may deduct 2% from the amount paid to the city.

Section 11. Interest and penalty for late payment. The hotel operator is responsible for paying interest on delinquent taxes, 8% per annum, plus a penalty of 1% per month.

Section 12. Records Requirement. The hotel operator must keep records for three years, with the right of inspection by the city.

Section 13. This ordinance shall take effect upon final passage by two-thirds vote, the public welfare requiring it.

Passed first reading the 12th day of May, 2015

Passed second and final reading the 9th day of June, 2015

Mayor

Attest:

City Administrator

City Attorney as to form