

**CITY OF FAYETTEVILLE
ORDINANCE NO. 2021- 03**

**AN ORDINANCE AMENDING CODE SECTION 5-605 PERTAINING TO THE
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, by Ordinance No. 2015-03, the Board of Mayor and Aldermen of the City of Fayetteville, Tennessee enacted Title 5, Chapter 6 establishing and levying a tax of 3.5 percent of the consideration charged for hotel rooms in the City of Fayetteville, with the revenue from such tax to be used for tourism development within the City of Fayetteville; and

WHEREAS, the revenue from said tax has had a positive impact on the City of Fayetteville and its citizenry; and

WHEREAS, state law permits the occupancy tax to be five percent (5%) of the consideration; and

WHEREAS, it is in the best interest of the City of Fayetteville and its citizenry to increase the tax rate set forth in Code Section 5-605 to five percent (5%).

NOW, THEREFORE, BE IT ORDAINED by the City of Fayetteville Board of Mayor and Alderman that section 5-605 of the Municipal Code shall be amended to read as follows:

5-605. Privilege tax levied; use. (1) Pursuant to the provisions of Tennessee Code Annotated, §§ 67-4-1401 to 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 chapter, the rate of the levy shall be five percent (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 designated as the authorized collector to administer and enforce this chapter and these statutory provisions.

(2) 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.

(3) Payment of the tax. Payment of the tax by the motel to the city shall be no later than the twentieth (20th) day of each month for the preceding month.

(4) Compensation to the hotel. The hotel may deduct two percent (2%) from the amount paid to the city.


(5) Interest and penalty for late payment. The hotel operator is responsible for paying interest on delinquent taxes, eight percent (8%) per annum, plus a penalty of one percent (1%) per month.


Passed first reading the 11th day of May, 2021.

Passed second and final reading the 8th day of June, 2021.


MICHAEL WHISENANT, Mayor

Attest:


Scott Collins, City Clerk


City Attorney as to form