

## DIVISION 2. - TOURISM ZONES

## Sec. 8-118. - Tourism zones.

There are hereby established tourism zones in Fauquier County in each county service district as described and shown in the comprehensive plan as of the date of adoption of the ordinance from which this article derives.

(Ord. No. 12-1, 3-8-12)

## Sec. 8-119. - Qualifying businesses.

- (a) A new or expanded qualified tourism business located within a designated tourism zone shall be eligible for the economic incentives set forth hereafter in section 8-121.

An existing business located in a tourism zone may apply for a determination that it is a qualified tourism business if it is expanding its operations.

- (b) A qualified tourism business means a business whose primary purpose is to establish a desirable destination to attract tourists from outside of the community and create an environment for those visitors that will deliver a memorable experience or promote educational opportunities while increasing travel-related revenue.

(Ord. No. 12-1, 3-8-12)

## Sec. 8-120. - Application.

Application for designation as a qualifying tourism business shall be made to the director of the office of economic development. The application shall include the following information:

(1) *Investment.*

- a. *New business investment.* A capital investment of a minimum of five hundred thousand dollars (\$500,000.00) in land, building and/or machinery shall be required to qualify for designation unless otherwise authorized by resolution of the board of supervisors.
- b. *Existing business investment.* A capital investment of a minimum of two hundred fifty thousand dollars (\$250,000.00) in land, building and/or machinery shall be required to qualify for designation unless otherwise authorized by resolution of the board of supervisors.

(2) *Employment.*

- a. *New business investment.* Ten (10) new full-time jobs having salaries at least ten (10) percent above the average county wage level as listed by the Virginia

Employment Commission for the prior calendar year shall be created within the first calendar year of operation.

- b. *Existing business investment.* Three (3) new full-time jobs having salaries at least ten (10) percent above the average county wage level as listed by the Virginia Employment Commission for the prior calendar year shall be created within the first calendar year of operation.

The director, the county attorney and the commissioner of revenue shall perform the initial review of the project to determine whether the project meets the required criteria for a qualified tourism business and is consistent with the county's policy for the consideration of tourism zone incentives. If the initial review indicates that the project has merit, the director shall forward the request and recommendation to the county administrator for consideration by the board of supervisors. The board shall review the proposed project and accompanying request. The board shall evaluate the request and make a decision based upon the project's positive impact on the county. The board retains the sole authority to designate incentives for the implementation of economic development projects.

(Ord. No. 12-1, 3-8-12)

#### Sec. 8-121. - Incentives.

Incentives shall apply for three (3) years from the later of the: (i) date a business is determined to be a qualified tourism business; (ii) the date the business commences operation; or (iii) the date that an existing business completes a qualifying expansion. Rebates shall be made at the end of each tax year on an annual basis. Only those taxes and fees which have actually been paid to the county shall be rebated. No interest shall be paid on any funds rebated. Incentives to qualifying firms are as follows:

- (1) *Tax rebates.*
  - a. One hundred (100) percent rebate on business, professional and occupational license tax imposed by the county pursuant to chapter 12 of the County Code, section 12-13; and
  - b. One hundred (100) percent rebate on tangible business personal property and machinery and tools tax imposed by the county pursuant to chapter 8 article X of the County Code.
- (2) *Permit fee rebates.* County fees for site plan, building and zoning permits.
- (3) *Tax rebates—Existing businesses.* For those qualified tourism businesses that are existing tourism businesses, rebates shall only be applicable to taxes assessed on the portion of gross receipts or acquired tangible business personal property, machinery and tools directly attributable to the expansion of the business. The amount of each tax

rebate shall be a percentage of that portion of taxes paid by the qualified tourism business each year of the incentive period that is directly attributable to the expansion of the business.

- (4) *Targeted industry status.* Qualified tourism businesses shall be placed in the county's accelerated review program. Nothing herein shall be construed as limiting the board's power to grant additional incentives as may be permitted by law to tourism businesses on a case-by case basis including, but not limited to, incentives granted pursuant to performance agreements and individualized arrangements with or without the involvement of the Fauquier County Industrial Development Authority.

(Ord. No. 12-1, 3-8-12)

#### Sec. 8-122. - Administration.

- (a) After a tourism business has been certified as a qualified tourism business, it shall annually submit a tourism zone program annual review application to the commissioner of revenue on or before March 1st of each year of the incentive period, indicating the number of full-time employees employed by the qualified tourism business, an official Virginia Employment Commission report for wage verification, the amount of business personal property and/or machinery and tool taxes paid by the qualified tourism business during the incentive period, and any other information as requested by the commissioner of revenue or the office of economic development for purposes of administering the tourism zone. Applications must be signed by an official representative of the qualified tourism business authorized to sign on its behalf. Applications received after March 1st will not be eligible to receive tourism zone incentives for that year.
- (b) An existing tourism business shall not qualify for tourism zone incentives by reorganizing or changing its form in a manner that does not alter the basis of the tourism business assets or result in a taxable event.
- (c) If a qualified tourism business fails to pay in full the taxes imposed by the county by the due date, this will result in the forfeiture of the tourism zone incentives for that year.
- (d) If a qualified tourism business files for bankruptcy during the three-year incentive period, this will result in disqualification and the business will be ineligible to receive tourism zone incentives for the remainder of the incentive period.
- (e) In the event that the tourism business ceases to be a qualified tourism business, ceases to meet the minimum employment and capital investment criteria, or removes itself from operation from the county during any year within any three-year incentive period, it shall be required to repay the total amount of tourism zone incentives received. A tourism business must sign an agreement to this effect prior to receiving tourism zone incentives.

(Ord. No. 12-1, 3-8-12)

