



To: Mayor and Town Council Members

From: Mark C. Meyers, Town Manager

Date: July 16, 2026

Subject: .10% Resort Tax Increase

Background

The adopted Fiscal Year 2027 Budget includes additional revenue based on increasing the Resort Tax by .10%. The Town currently levies 1% but there remains .10% that may be levied by Council resolution. This is one of the steps proposed to help balance the operating budget. The additional revenue would be approximately \$30,000 on an annual basis.

This matter requires a 14-day public hearing notice. So, the hearing cannot be held at the June 16, 2026, regular council meeting but could be held at the July 21, 2026, regular meeting.

Town Council discussed this matter during budget discussions and the June 10, 2026 work meeting. The consensus was to move it forward.

Recommendation

Staff recommends the Town Council support holding a public hearing at the July 21, 2026, regular meeting and consider approving the increase.

VIRGIN, UTAH
Resolution No. R2026-

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF VIRGIN, UTAH, APPROVING AND SUPPORTING AN INCREASE IN THE RESORT COMMUNITIES SALES AND USE TAX IMPOSED PURSUANT TO UTAH CODE § 59-12-401 FROM ONE AND ZERO-HUNDREDTH PERCENT (1.00%) TO ONE AND ONE-TENTH PERCENT (1.10%); AUTHORIZING IMPLEMENTATION AND TRANSMITTAL TO THE UTAH STATE TAX COMMISSION; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Town of Virgin is a municipality organized and existing under the laws of the State of Utah; and

WHEREAS, Utah Code § 59-12-401 authorizes qualifying resort communities to impose a local sales and use tax of up to one and one-tenth percent (1.1%) on taxable transactions occurring within the municipality; and

WHEREAS, the Town Council finds that additional revenues are necessary to address the impacts of tourism, maintain municipal infrastructure, provide public safety services, improve transportation facilities, and preserve the quality of life for residents and visitors; and

WHEREAS, the Town Council finds that an increase in the Resort Communities Sales and Use Tax rate from one percent (1.00%) to one and one-tenth percent (1.10%) is in the best interests of the Town and its residents.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF VIRGIN, UTAH:

Section 1. Approval of Tax Rate Increase

The Town Council hereby approves and supports the imposition of a Resort Communities Sales and Use Tax at the rate of one and one-tenth percent (1.10%) pursuant to Utah Code § 59-12-401 and related provisions of the Utah Sales and Use Tax Act.

Section 2. Superseding Prior Action

Any prior ordinance, resolution, or action establishing a Resort Communities Sales and Use Tax rate of one percent (1.00%) is hereby superseded and replaced to reflect the rate set forth in this Resolution.

Section 3. Administration and Collection

The tax shall be administered, collected, and enforced by the Utah State Tax Commission in accordance with applicable state law and administrative rules.

Section 4. Implementation and Transmittal

The Town Clerk is hereby authorized and directed to transmit certified copies of this Resolution, together with any required documentation or notices, to the Utah State Tax Commission and any other governmental entities as required to implement the tax rate change.

Section 5. Severability

If any provision of this Resolution is determined to be invalid or unenforceable, such determination shall not affect the validity of the remaining provisions, which shall remain in full force and effect.

Section 6. Effective Date

This Resolution shall take effect immediately upon adoption. The increased tax rate shall become effective on the date established by the Utah State Tax Commission following receipt of proper notice. The Town Clerk is directed to coordinate implementation with the Tax Commission.

PASSED AND ADOPTED by the Town Council of Virgin, Utah, this 21 Day of July, 2026.

By: _____

Jean Krause, Mayor

Attest: _____

Krystal Percival, Town Clerk/Recorder

<u>Vote</u>	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>
Jean Krause, Mayor	☐	☐	☐
Paul Luwe, Council Member	☐	☐	☐
Valerie Wenz, Council Member	☐	☐	☐
April McKeon, Council Member	☐	☐	☐
Jim Kietzman, Council Member	☐	☐	☐

RECORDED this _____ day of _____, 2026

PUBLISHED or POSTED this _____ day of _____, 2026.

CERTIFICATE OF PASSAGE AND PUBLICATION OR POSTING

In accordance with Utah Code Annotated §63G-30-102 as amended, I, the Town Clerk/Recorder of Virgin, Utah, hereby certifies that the foregoing Ordinance was duly passed and published or posted via Class A Notice at:

- 1) Utah Public Notice website
- 2) Virgin Town website, www.virgin.utah.gov
- 3) Virgin Town Hall

Krystal Percival, Town Clerk/Recorder
Virgin Town, Utah