

# Issue Analysis Form



**Date:** April 14, 2020  
Public Hearing –  
Consideration of Equalization  
of Tax Rate Based on  
Assessment

**Item:**

**Lead Department(s):** County Finance / Assessor

**Contact Person(s):** Betsy Drewry / Rod Compton

## Description and Current Status

On March 10, the Board of Supervisors approved the advertisement of an effective real estate tax increase due to increase in assessed values. The advertisement was run in the *Progress Index* in the Fri-Sat March 13-14, 2020 edition as required. See advertisement as **Attachment A**.

The County Administrator proposed the Fiscal Year 2020-2021 budget at the February 25, 2020 board meeting and recommended no increase in the Real Property Tax Rate or Personal Property tax rate.

The board received preliminary information on an increase in assessed real property values at its pre-budget work session on December 16, 2019. The board received updated information at its budget work session on March 7, 2020. The assessed values (excluding new construction and improvements) have grown by more than 1%. Estimated FY2021 assessed values, net of new construction and improvements, have grown by 7.3% over 2020 values. The equalization rate would be 80¢ (a 6¢ reduction from the current 86¢ rate). See attached Equalization Rate calculation prepared by Rod Compton, County Assessor.

If the assessed value increases by more than 1% (excluding new construction and improvements), §58.1-3321 Code of Virginia:

1. County must reduce tax rate so that revenues  $\leq$  101% of prior year levies (equalization / "reduced rate")

**OR**

2. County may increase tax rate after advertising and holding public hearing with notice of the "effective tax rate increase"

There has been no recommendation to lower the tax rate to 80¢, and the proposed budget proposed keeping the real property tax rate at 86¢.

**Requested Board Action:**

***If the Board agrees to keep RE Tax Rate at 86¢ there will be no required board action following the public hearing.***

Staff is requesting the authority to advertise the public hearing on the tax rates on April 14, with the public hearing to be held on April 28, 2020.

**Staff will request adoption of tax rates on April 28 following the public hearing on tax rates.**

Does this require IDA action?  Yes  No

Does this require BZA action?  Yes  No

Does This require Planning Commission Action?  Yes  No

Does this require Board of Supervisors action?  Yes  No

Does this require a public hearing?  Yes  No

If so, before what date? [at least 30 days prior to public hearing]  Yes  No

**Fiscal Impact Statement**

The County Administrator’s Proposed budget recommends no increase in the Real Property tax rate or personal property tax rate. The FY 2021 budget proposal included no recommendation to reduce the tax rate to the equalization rate of 80¢.

The overall General Fund budget as proposed, considering all revenue changes, is expected to increase by \$3,959,405, or 6.9%. **Budgeted** current real property tax revenues have been increased by \$1,900,000, or 8.1%. **Changes may be required due to COVID-19 impacts (still under evaluation).**

Notable General Fund expenditure increases included in the **proposed** FY2021 budget were:

- A \$1,262,500 contribution to debt reserves to pay for construction of a new Walton Elementary school and other school and county capital projects
- Seven additional General Fund positions at a cost of \$503,424; (3 of which are public safety)
- Increase in the operating transfer to the Public Schools of \$222,532
- Increased technology software, contract and hardware needs of \$162,748
- Increase to Riverside Regional Jail of \$156,904

**Desired Board expenditure revisions will be considered at upcoming budget work session(s).**

**County Impact**

On April 14 the County will hold a public hearing on an effective tax rate increase (to not

lower the rate to the equalization rate of 80¢) to comply with Code of Virginia § 58.1-3321.

**Notes**

# LOCAL

## LOCAL

### Harding Street/ Delectable Heights Neighborhood Association and Watch meeting

PETERSBURG — The Harding Street/Delectable Heights Neighborhood Association and Watch will hold their monthly meeting at Third Baptist Church, 550 Farmer St. from 6-8 p.m. The guest speaker will be Tami Yerby, director of Petersburg Parks & Leisure Services. Yerby will talk about the 2020 census and how residents can take an active role in participating in it. For questions, call Donald McEachin at 804-835-8176 or Sarah Davis at 804-733-3656.

### Rep. McEachin announces 2020 Congressional Art Competition

WASHINGTON, D.C. — Congressman A. Donald McEachin announced the opening of the 2020 Congressional Art Competition. All high school students (grades 9-12) who are residents of Virginia's fourth congressional district are invited to submit in original work of art. Students should submit original artwork and include completed 2020 Student Information and Release forms by 4:30 p.m. on Monday, April 27 to one of Congressman McEachin's two district offices. Visit <https://mceachin.house.gov/services/art-competition> for more information.

### LA LOTTERY



'Best in Show' at Spring Fling 2020 was awarded to PGHS junior Annabelle Starr for her graphite portrait of Robert Plant. The annual event presented by Prince George County Public Schools was held at the high school on March 7. (KRISTI K. HIGGINS/PROGRESS-INDEX.COM)

## SHOW

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and keychains as well as Sharpie marker coasters. Other creative stations available to spend tickets on included glitter tattoos, jewel pens, and printmaking.

Next to the rows of students' artwork on display in the cafeteria, PGHS junior Annabelle Starr demonstrated painting with acrylic paint.

"I'm painting model Cindy Crawford to show the process of painting," stated Starr. "People want to know the inner working behind it."

"I chose Crawford because her beauty strikes me, and I want to project that to an audience," Starr explained.

Starr's graphite portrait of Robert Plant won Best in Show.

"The Fine Arts department for the district

here because it means more money will be put towards scholarships," stated Bell. "Last year, we presented \$1500 in scholarships, and we hope to surpass that this year."

"It was awesome," shared Johnny Roma of Prince George. "Our family had a great time, and our kids give it thumbs up!"

Proceeds raised at Spring Fling 2020 will be presented by the Fine Arts Educators' Scholarship program to graduating Prince George seniors who plan to pursue a career in the arts.

Visit [www.progress-index.com](http://www.progress-index.com) to view additional photos in the online gallery and watch the Prince George All-County Choir sing "Pinwheels" directed by Choral Director Christian "Storm" Burks.

Kristi K. Higgins can be reached at 804-722-5162 or [khiggins@progress-index.com](mailto:khiggins@progress-index.com)

## SCHOOLS

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their families in order to take advantage of online education. He said that might be "stop-gap relief," but it shows the need for the service to be expanded.

"Broadband is a necessity, not a nicety," Warner stated.

Late Wednesday afternoon, Colonial Heights announced it would use Monday as an opportunity for teachers to learn how online instruction ensures that their students' education will not be interrupted by the possibility of a local outbreak.

Teachers will be trained in remote-instruction delivery models.

When students return to class Tuesday, they will be shown how they would learn from home. The division is calling it "Digital Learning Day."

"Although we know that remote instruction is not ideal and there will be some obstacles, we hope that by planning and preparing thoroughly, we can work through those challenges in advance," the division said in a statement on its web site.

The plan will be adjusted as necessary.

"Our main goal will be to provide continued instruction, in a safe and equitable manner, so that students maintain

current levels and continue to progress," the statement read.

School administration said some options under discussion include sending laptops home with students in grades 3-5 and providing alternative learning materials for pre-kindergartners, and students in kindergarten, first and second grade.

Educators are also determining how distance learning will affect students with individual education plans and students whose families do not have Internet access.

Bill Atkinson can be reached at 804-722-5167 or [batkinson@progress-index.com](mailto:batkinson@progress-index.com). On Twitter: @BATkinsonpi

## PRINCE GEORGE COUNTY, VIRGINIA



### NOTICE OF PROPOSED REAL PROPERTY TAX INCREASE

The County of Prince George proposes to increase property tax levies.

1. Assessment Increase: Total assessed value of real property, excluding assessments due to new construction and improvements to property, exceeds last year's total assessed value of real property by 7.3 percent.
2. Lowered Rate Necessary to Offset Increased Assessment: The tax rate which would levy the same amount of real estate tax as last year, when multiplied by the new total assessed value of real estate with the exclusion mentioned above, would be \$0.80 per \$100 of assessed value. This rate will be known as the "lowered tax rate."
3. Effective Rate Increase: The County of Prince George does not propose to adopt a tax rate lower than \$0.86 per \$100 of assessed value. The difference between the lowered tax rate and the proposed tax rate would be \$0.06 per \$100, or 7.3 percent. This difference will be known as the "effective tax rate increase."

Individual property taxes may, however, increase at a percentage greater than or less than the above percentage.

4. Proposed Total Budget Increase: Based on the proposed real property tax rate and changes in other revenues, the total budget of Prince George County will exceed last year's by 6.9 percent.

A public hearing on the increase will be held on April 14, 2020 beginning at 7:30 p.m. in the Board of Supervisors Meeting Room, Third Floor of the County Administration Building, 6602 Courts Drive, Prince George, Virginia, (located at the intersection of Laurel Springs Road and Courts Drive in the County Government Complex).

Related documents are available for review in the Office of the County Administrator/Clerk to the Board of Supervisors, (Third Floor, Third Floor County Administration Building, 6602 Courts Drive, Prince George, Virginia, Monday through Friday from 8:30 a.m. until 5:00 p.m.; Tel. 722-4600. All interested persons shall be given an opportunity to be heard.

Percy C. Ashcraft,  
County Administrator

Issued in accordance with § 58.1-3321, Code of Virginia, 1950, as amended.

SUNDAY

MARCH 15, 2020

# Public Hearing

April 14, 2020

Consideration of Equalization of Tax Rate  
Based on Assessment

# Increase in Assessed Values

- o The Board received preliminary information at its December 16 pre-budget work session on an increase in Assessed Values
- o The Board received updated information at its March 7 budget work session
- o Assessed Values ***excluding new construction and improvements*** are projected to increase by more than 1%

# Increase in Assessed Values

- o If Assessed Values increase by more than 1% (net of new construction and improvements), §58.1-3321 Code of

## Virginia:

- o County must reduce tax rate so that revenues  $\leq$  101% of prior year levies (equalization / “reduced rate”) OR
- o County may increase tax rate after advertising and holding public hearing with notice of the “effective tax rate increase”

# Equalization Rate Calculation

	FY <u>2019</u>	FY <u>2020</u>	FY <u>2021</u>
Residential/Agricultural	\$ 2,165,701,900	\$ 2,284,265,700	\$ 2,472,951,900
Multi-Family	102,755,300	104,347,200	119,018,600
Commercial/Industrial	<u>463,799,400</u>	<u>477,855,106</u>	<u>511,236,400</u>
<b>Total Land Book</b>	<b>\$ 2,732,256,600</b>	<b>\$ 2,866,468,006</b>	<b>\$ 3,103,206,900</b>
	<b>2.0%</b>	<b>4.9%</b>	<b>8.3%</b>
LESS: NC, NP, D*	\$ 16,753,100	\$ 29,504,400	\$ 26,181,200
Net Assessment	\$ 2,715,503,500	\$ 2,836,963,606	\$ 3,077,025,700
Assessment Change	\$ 37,385,700	\$ 104,707,006	\$ 210,557,694
Rate	\$ 0.86	\$ 0.86	\$ 0.86
<b>Equalization Rate</b>	<b>0.86</b>	<b>0.86</b>	<b>0.80</b>
*New Construction, New Parcels, Discovery PLUS Parcels converted from Exempt to Taxable LESS Parcels converted from Taxable to Exempt.			
Tax Levies (Projected)	\$ 23,497,406.76	\$ 24,651,624.85	\$ 26,687,579.34
Tax Change	\$ 465,594	\$ 1,154,218	\$ 2,035,954
	<b>2.0%</b>	<b>4.9%</b>	<b>8.3%</b>



# Tax Rate

- o No recommendation to reduce current tax rate of 86¢ to the equalization rate of 80¢
- o The proposed budget included no increase in the Real Estate Tax Rate and leaving the rate at 86¢
- o If lowered Impact to County / Schools:
  - o Each 1¢ = \$280,000
  - o 6¢ Revenue Loss would be \$1,680,000

Staff is evaluating the potential impact of COVID-19 on all revenue sources. FY2021 Real Estate Tax collections are based on assessed values in January 2020 (prior to COVID-19 onset/actions). COVID-19 could impact percentage of billed taxes collected by the due date / on time.

# Tax Rate

- o **Proposed** General Fund budget increase \$3,959,405; 6.9%
- o Significant **proposed** budget increases for FY2021
  - o **\$1,262,500** contribution to debt reserve for construction of a new elementary school and other school and county projects
  - o Additional General Fund positions (7) \$503,424 [3 public safety]
  - o Increase in operating transfer to Schools \$222,532
  - o Increased in needed technology software, contracts and hardware of \$162,748
  - o Increase to Riverside Regional Jail of \$156,904

# Public Hearing Advertised

- Staff received board authority to advertise a public hearing on March 10, 2020
- A public hearing for the “effective rate increase” (not lowering real property rate to equalization rate of 80¢) advertised as required
- **Progress Index**
  - March 13-14, 2020 edition

# Board Action

- o There is no board action requested following this public hearing
- o Staff is requesting authority to advertise a public hearing on tax rates tonight [PH on April 28, 2020] and action will be required on April 28 to set tax rates following that public hearing

Questions?

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Percy C. Ashcraft  
County Administrator

Issued in accordance with § 58.1-3321, Code of Virginia, 1950, as amended.

PB-00480869

**PROOF O.K. BY:** \_\_\_\_\_  **O.K. WITH CORRECTIONS BY:** \_\_\_\_\_

**PLEASE READ CAREFULLY • SUBMIT CORRECTIONS ONLINE**

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