

Issue Analysis Form



Date: April 28, 2020
Authorization to Advertise
Public Hearing – 2020-21 Tax Rates

Item:

Lead Department(s): County Finance

Contact Person(s): Betsy Drewry

Description and Current Status

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, Personal Property tax rate, or the Machinery and Tools tax rate.

If any tax rate increases are desired, Code of Virginia § 58.1-3007 states that the public hearing must be published in a paper of general circulation at least seven days before the hearing. **The recommended public hearing date is May 12, 2020 (updated from April 14 and 28, 2020).** Prince George County as a practice, advertises tax rates, holds a public hearing and adopts rates by resolution regardless of whether there is an increase in the tax rates.

Added note:

The Personal Property tax rates are *typically* required to be adopted by April 15th in order for the Commissioner of Revenue and the Treasurer's Office to print the tax bills and have them mailed by April 25th for the June 5th collection date. The tax rate proposed for Personal Property is \$4.25, the same as FY20. **The board approved a delayed June 26 due date for Personal Property and Real Estate Taxes at its April 14 regular meeting.**

Attached is a **draft** of the advertisement that will be placed for the public hearing. This draft is provided for your review as to format. The rates advertised will be altered as recommended and approved by the board.

Also attached is a draft resolution authorizing the notice of public hearing for board consideration.

- | | | |
|-------------------------------------------------------|-----------------------------------------|----------------------------------------|
| Does this require IDA action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does this require BZA action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does This require Planning Commission Action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does this require Board of Supervisors action? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does this require a public hearing? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

If so, before what date? [at least 7 days prior to public hearing]

Yes No

Fiscal Impact Statement

The County Administrator's Proposed budget recommended no increase in the Real Property tax rate, Personal Property tax rate, or Machinery & Tools tax rate for FY 2020-21. There is an increase in the assessed real property values of 7.3% net of new construction and improvements. A public hearing held on April 14, 2020 on an effective tax increase resulting from the increase in assessed values was authorized by the board on March 10.

The overall FY2021 General Fund budget as proposed by the County Administrator, considering all revenue changes, increased by \$3,959,405, or 6.9%.

Estimated General Fund reductions of \$1,079,532 are anticipated due to projected COVID-19 impacts. Additionally, a reduction of \$53,263 in School Resource Officer grant revenue is needed. If the proposed BPOL and Permit Fee increases are not moved forward, reductions of \$189,499 and \$74,363 respectively will be needed.

Proposed FY2021 General Fund Budget	\$61,720,893
COVID-19 Reductions (General Fund)	(1,079,532) \$351,033 Schools
SRO Grant Reduction	(53,263)
Remove BPOL Tax Increase	(189,499) Board Decision
Remove Permit Fee Increase	(74,363) Board Decision
*Cumulative Potential Reductions	(\$1,396,657)
*Possible Revised FY2021 Budget	\$60,324,236

*Net of Possible RE Tax Rate Decrease

The Board will also consider the Real Estate Tax Rate for adoption. If the RE Tax Rate is reduced, the budget will **decrease by \$280,000 for each 1¢ reduction.** Any reduction will impact the local transfer to schools.

If the tax rate is equalized to 80¢, the total reduction would be \$1,680,000; with a County reduction share of \$966,336 and a school reduction share of \$713,664.

Tax Revenue Sources shared with the school division are
Real Estate Tax Revenue
Personal Property Tax Revenue + State PPTRA
Local Sales Tax
Consumer Utility Taxes
Motor Vehicle License Fees

The most significant expenditure increases included in the proposed FY2021 budget are:

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**

There are other required expenditure increases for:

Annual technology contracts increase \$133,291* (IT – \$64,512 Exchange On-Line mail server; IT \$20,000 VM Ware & Host Server; \$48,779 ECC E-911 and state-mandated dual authentication) – some included above*

Retirement contribution (VRS) rate increase - \$51,914

Group term life insurance rate increase - \$4,098

Worker's compensation insurance increase - \$24,668 [\$14,462 percentage rate increase + \$10,206 experience factor increase]

LODA Increase - \$8,591

Cyber Security Insurance Expansion Recommended - \$16,000

Increase in Crater Detention Contribution - \$25,818

Expected Utilities Increases - \$29,070 (Electricity; Heat; Water; Sewer)

Increases in General Services Contracts - \$21,785 (Custodial services; Lawn care services)

Increase in Crater Training Academy - \$2,941

Increase in Comprehensive Services Act Expenditures - \$55,300

County Impact

The County should hold a public hearing on the tax rates and advertise such public hearing at least seven(7) days prior to the public hearing to comply with Code of Virginia § 58.1-3007.

Notes

PRINCE GEORGE COUNTY, VIRGINIA



**NOTICE OF PUBLIC HEARING TO CONSIDER
REAL PROPERTY TAX RATE, PERSONAL PROPERTY TAX RATE,
MACHINERY AND TOOLS TAX RATE
AND MOBILE HOME TAX RATE FOR FISCAL YEAR 2020/21**

Notice is hereby given to all interested persons that the Prince George County Board of Supervisors will hold a public hearing on Tuesday, May 12, 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) pursuant to § 58.1-3007, Code of Virginia, 1950, as amended, to consider adoption of the following tax rates for 2020/21 fiscal year.

Real Property: \$0.86 per \$100.00 of assessed value

Personal Property: \$4.25 per \$100.00 of assessed value

Machinery & Tools: \$1.50 per \$100.00 of assessed value

Mobile Home / Tangible Personal Property: \$0.86 per \$100.00 of assessed value

Real property taxes are due December 5, 2020 and June 5, 2021 and Personal property taxes are due June 26, 2020.

Copies of the resolutions and related documents are available for review in the Office of the County Administrator/Clerk to the Board of Supervisors, 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. 722-8600. All interested persons shall be given an opportunity to be heard.

Percy C. Ashcraft
County Administrator

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 28th day of April, 2020:

Present:

Vote:

Donald R. Hunter, Chairman
Alan R. Carmichael, Vice-Chairman
Floyd M. Brown, Jr.
Marlene J. Waymack
T. J. Webb

A-3

On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

RESOLUTION; AUTHORITY TO ADVERTISE A PUBLIC HEARING FOR SETTING A TAX RATE FOR REAL PROPERTY, PERSONAL PROPERTY MACHINERY AND TOOLS AND MOBILE HOMES.

NOW, THEREFORE, BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 28th day of April, 2020, does hereby authorize the advertisement of a May 12, 2020 public hearing for the following tax rates:

- Real Property: \$0.86 per \$100.00 of assessed value
- Personal Property: \$4.25 per \$100.00 of assessed value
- Machinery & Tools: \$1.50 per \$100.00 of assessed value
- Mobile Homes: \$0.86 per \$100.00 of assessed value

A Copy Teste:

Percy C. Ashcraft
County Administrator