MINUTES
KING WILLIAM COUNTY BOARD OF SUPERVISORS
WORK SESSION OF DECEMBER 13, 2021

A work session of the Board of Supervisors of King William County, Virginia, was held on the 13th day of December 2021, beginning at 7:00 p.m. in the Board Meeting Room of the County Administration Building and via Zoom.

Agenda Item 1. CALL TO ORDER

Chairman Moskalski called the meeting to order.

Agenda Item 2. ROLL CALL

The members were polled:

Supervisor, 3rd District: Stephen K. Greenwood	Aye
Supervisor, 1st District: William L. Hodges	Aye
Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 5th District: Edwin H. Moren, Jr. – Vice Chair	Aye
Supervisor, 2nd District: Travis J. Moskalski – Chairman	Aye

Agenda Item 3. REVIEW AND ADOPTION OF AMENDED MEETING AGENDA

Supervisor Hodges moved for the adoption of the amended agenda for this meeting as presented; Supervisor Greenwood seconded motion. The Chairman called for any discussion. The members were polled:

Supervisor, 1st District: William L. Hodges	Aye
Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 5th District: Edwin H. Moren, Jr. – Vice Chair	Aye
Supervisor, 3rd District: Stephen K. Greenwood	Aye
Supervisor, 2nd District: Travis J. Moskalski – Chairman	Aye

Agenda Item 4. WORK SESSION MATTERS

4.a. General Reassessment Update – Fred Pearson, Pearson's Appraisal Service, Inc.

Mr. Pearson said Pearson's staff has loaded the King William County real estate data from 2015 on their field tablets. There are two appraisers making site visits, knocking on doors, leaving owner notification tags when no one is home, and taking pictures of the main buildings and outbuildings. So far, they have visited 2,200 properties which is 18% of the total parcels in King William County.

Pearson's staff members Maranda Berry and Brannan Pearson have been working in an office out of the County Administration Building.

Mr. Pearson met with the King William County Tea Party at their invitation and went over the project progress with them. Members informed him that quality grades and effective age were used in the last reassessment which was negated. Mr. Pearson told them he was not using any information from the discarded assessment but was using the 2015 data.

Pearson's has been reviewing the data conversion to Vision appraisal software and will be working in January and February on having Vision calculate property values as similar to the values in the old program, Bright, as possible. This will make later calculations more consistent.

The reassessment bond has been approved and will be sent to the County as soon as Pearson's receives it.

Mr. Pearson said he is happy to meet with any groups of citizens to discuss the reassessment as a whole. He is not meeting to discuss specific properties at this time but welcomes any information from citizens which will help him perform a better assessment.

Mr. Pearson said he appreciates all the cooperation he has received from County staff and the public in general and that overall people have been very nice throughout the process.

He noted that the housing market is still going up and that Westmoreland County property values have gone up 18% between 2020 and 2021.

Supervisor Garber asked if Mr. Pearson foresaw any problems with the software conversion. Mr. Pearson said no, they are using the same process in Vision as they did in Bright.

Vice Chair Moren asked how they are handling properties with No Trespassing signs. Mr. Pearson said they are cautious and won't go on a property if they feel it would be unsafe for them to do so. They still take photos unless the property owner asks them not to and they leave if they are told to leave. Mr. Pearson said they delete the photos if they owner tells them not to take pictures.

Mr. Pearson said the assessors do not go inside any home. They may knock and ask questions if needed, but they will never go inside. They also may take measurements and photos, but again, not inside the dwelling. He said some people don't understand what the assessors are doing there and if they are asked to leave, they leave.

Supervisor Hodges asked how much of a percentage increase they've seen on the 2,200 properties they have assessed so far. Mr. Pearson said they are not doing a valuation yet. They are only taking notes and photos of what is on the property. They will not get into sales figures until February or March and he will make that information available to the public. He reiterated that he is open to any input.

Supervisor Hodges asked if the public should expect an increase. Mr. Pearson said yes, probably around a 60% increase from the 2015 assessment.

Supervisor Greenwood asked how Pearson's would be able to perform an assessment on a property if the owner tells them to leave and won't allow photos to be taken. Mr. Pearson said this is very rare and people are normally very nice, especially if they understand what the assessor is doing and why. He said they would do the best they can using the 2015 data to estimate and have a fair and equitable assessment.

Chairman Moskalski said it would be helpful if the Board of Supervisors and Reassessment Advisory Committee could advise citizens of their intentions at the same time the assessments are mailed to citizens. He said people assume the percentage increase in their assessment equals the same percentage in tax increases and this is not the Board's intent. The Board's intent is not to raise taxes. He asked if they'd be able to put an explanation in the same envelope with the valuation notice. Mr. Pearson said yes, and he agreed this is a good idea. Mr. Pearson said he wants people to know from the start what he's doing and how he's doing it so they don't come back after seeing the assessment and say it's wrong. He said he is glad to show sales information to people so they can see and understand.

Supervisor Greenwood said we are in a strange situation because it has been so long since the last assessment (2015). Houses are now being sold for more than they're worth. Mr. Pearson said 2022 sales figure would be used as 2021 is already too outdated. He said the state will mostly use November/December 2022 data and January/February 2023 data in determining the County's ratio.

Supervisor Garber asked if the County's reassessment has to be within a certain percentage of the state ratio. Mr. Pearson said yes, normally it's 100% but sometimes it's as low at 90%.

Supervisor Hodges asked if property values went up prior to 2020 and the pandemic. Mr. Pearson said yes, he thinks there will be a 60-70% increase in assessed value consistently throughout the County. He said as the assessed rate goes up, the Board would have to determine how much to bring the tax rate down. Mr. Pearson said his staff and County staff will work together as a team.

Supervisor Hodges said he appreciated Mr. Pearson's attitude during this process.

4.b. Personal Property Tax Increase Explanation – Karena L. Funkhouser, Commissioner of the Revenue (See Attachment A)

Commissioner Funkhouser explained that the Personal Property Tax Relief Act (PPTRA), as amended in 2005, capped the amount the State reimburses localities for personal property tax at $950 million. The amount given to each locality was based on their personal property tax collections in 2005. She made special note that the amount is based on amounts actually collected – not on amounts billed. King William County's share was set by the state at $1,204,131.00 and that amount has not changed since 2006.

The State gives King William County $1,204,131 for personal property tax relief. The County then divides that amount among citizens based on their qualifying personal property. The

Commissioner of the Revenue determines a PPTRA rate which will give all qualifying property an equal share of the funds from the state. Therefore, if there are more qualifying vehicles than the previous year, the relief percentage will go down. If there happened to be fewer qualifying vehicles, the relief percentage would go up. The Board of Supervisors has final approval on the rate chosen. When the values of the vehicles go up, as has happened this year, citizens may see a larger bill because the amount of available relief provided by the State has not changed. By law, the PPTRA rate must match the amount received from the State as closely as possible. It is not a means by which a locality may offset increases in tax revenue.

Commissioner Funkhouser said King William County applies the PPTRA 100% to vehicles assessed at $1,000 or less. King & Queen County assesses on cars valued under $1,000.

In 2021, King William County's PPTRA rate was 27.7%. In 2020, 30% was the calculated rate and the Board of Supervisors voted to increase it to 35%. Chairman Moskalski said this was because the Board believed this would offer some relief to taxpayers during COVID and they made the assumption that car values would stay the same or decrease. In reality, the opposite happened and car values drastically increased. Commissioner Funkhouser said that a vehicle's assessed value typically decreases each year. However, for the first time since 2007, the values have increased, increasing an average of 10-20%. Chairman Moskalski explained that in the spring of 2020, many auto manufacturers were closed and now they are unable to get the chips needed for new vehicles. This is why used vehicle demand increased which caused their value to increase as well.

Commissioner Funkhouser said she talked with Hanover County's Commissioner of the Revenue and their collection rate is 95% - $15 million. They also receive a greater amount of relief from the state which means there is more to go around. In King William County, used vehicle assessed value increased and the PPTRA rate decreased which is why citizens saw increases in their tax bill.

Chairman Moskalski said he would be interested in examining what kind of revenue the County is actually collecting this year when considering next year's PPTRA rate.

Commissioner Funkhouser said JD Power expects values to continue increasing, perhaps as much as 20% in the coming year. This year's increase was 12% and she had estimated 9% when calculating the PPTRA. She also said the County needs to consider the amount of money involved in hiring staff if it is decided to prorate. She said Hanover County has six staff members who do nothing but work on prorating. Her office cannot currently handle that type of workload. She is going to start keeping in/out records in January to see if it's financially worth it to prorate. She suggested the possibility of eliminating the County's vehicle registration fee.

Supervisor Hodges asked if the amount the State gives King William County was based on what was collected in 2005. Commissioner Funkhouser said yes and she doesn't know what they figure was.

Supervisor Garber asked how long the tax rate has been $3.65/$100. Chairman Moskalski said over ten years and they should look at that to do projections for next year.

Supervisor Garber noted some people could be paying more in Personal Property tax than in Real Estate tax.

Commissioner Funkhouser said to prorate the amount of work in her office would need to be reduced and eliminating the registration fee could help.

Vice Chair Moren said the PPT revenue was split 55% to the schools and 45% to the County. He asked why RVs were not taxed. Commissioner Funkhouser said it was mandated by the State.

Chairman Moskalski said all of the PPT revenue has to go to the schools. He wants to know how much is actually collected, how much is actual growth, and how much is because of the JD Power assessment increase. He said there should be historical data to look at.

Commissioner Funkhouser said the tax book shows values but not how many are eligible for PPTRA.

Supervisor Hodges asked if any of the individual complaints about increased tax amounts were due to the increased JD Power value assessments. Commissioner Funkhouser said yes. Supervisor Hodges said auto dealers have told him used cars are selling for more at auction that the dealer can actually sell them for.

Vice Chair Moren asked why he got three separate bills. Supervisor Moskalski said it depends on the number of accounts a household may have. For example, something may be in one spouse's name, another in the other spouse's name, and yet another in both spouses' names. Commissioner Funkhouser said Edmunds only shows five vehicles on the bill, even if there are more than that reflected in the total due.

Vice Chair Moren asked what citizens can do to help themselves and to help the Commissioner's office. Commissioner Funkhouser said citizens should create a Bill of Sale when they sell a vehicle personally and report that sale to the DMV. If they are trading in a car or selling to a dealer, the dealer will do that for them. However, if it is a personal sale, they need to notify DMV so taxes will be charged to the new owner, not to them. A quick Bill of Sale showing the vehicle information, date it was sold, amount, and who it was sold to is helpful to prove when a vehicle transferred owners. If they do not report to DMV and leave it up to the new owner, that could take months.

Commissioner Funkhouser said prorating the Personal Property tax is a lot of work but is the fairest to the citizens.

Chairman Moskalski said we should look at the New Kent model and asked if they prorate. Commissioner Funkhouser said she did not know.

Commissioner Funkhouser said another thing needed is software that would allow citizens to view and pay their taxes online. She said mailing costs are high. She also said the bill does not show if a person is receiving a high mileage discount, even though it is reflected in the amount due. So, people are calling to see if it's been applied.

Chairman Moskalski asked if the high mileage discount application has to be filed every year because of County requirements or State requirements. Commissioner Funkhouser said she didn't know, however, what is considered high mileage for a certain year vehicle can change from year to year so people may not be getting the maximum discount if they do not file a new application each year.

Supervisor Greenwood asked if you met the maximum one year, why wouldn't you still be eligible. Commissioner Funkhouser said once you reach the maximum threshold, you shouldn't need to reapply, however, the mileage limit could change.

County Administrator, Percy Ashcraft, noted New Kent does not prorate per a statement on their website.

Interim County Administrator, Steve Hudgins, said staff was currently working with Edmunds to do the things the Commissioner has mentioned.

4.c. Fire & EMS Department Update – Stacy Reaves, Fire Chief

Chief Reaves said COVID booster vaccines were now open for kids and suggested people visit the Three Rivers Health District website for regional clinics and registration (https://www.vdh.virginia.gov/three-rivers/). He said the State vaccination rate is now 66% and 90% of kids' vaccines have prevented them from getting COVID.

The region is still in Status Black requiring VCU to determine ambulance destinations.

The seven open positions have been filled and orientation will begin January 3, 2022. EMT classes begin January 10, 2022. The Fire Academy application is being processed through VDFP. One fully certified paramedic was hired which will reduce the academy positions to six. Chief Reaves reminded the Board the department still needs six more staff which they did not hire due to not getting the SAFER grant.

The department continues to work on vetting standard operating procedures.

The transition to ESO went live today across the board and the County is enrolled in training. Walkerton is not using ESO. They use the state reporting system. They do not do EMS in King William County and fire calls go through King & Queen County.

The third ambulance is out of commission and will stay that way due to the cost of repairs. The new ambulance final inspection is expected to be completed the second week of January. The builders are overwhelmed with work but are not experiencing chip issues.

The pre-build engineering for the engine has been completed and final changes are being engineered. Projected production is on time but the projected inspection date has been moved from April to June. Chief Reaves said it is a situation of not knowing when it will happen until it actually happens. He said they had to change the tires being used because they are no longer being made. Better tires were acquired for no additional cost.

The EOP workshop with VDEM took place on December 10, 2021 at Station One with Tribal and County stakeholders and staff. Two Board members attended – Supervisor Garber and Vice Chair Moren. VDEM will provide a suggestion report based on the workshop.

The EOC is being established at Station 1 and the backup is the County Administration Building Board Room. Fire & EMS, the Sheriff's Department, Administration, the Board of Supervisors, and all departments are all working together. As communication lines are built out, they're looking for double and triple backup as well as mobile equipment.

Vice Chair Moren said he thought a lot was learned at the workshop and he hoped to do it again.

Supervisor Garber mentioned the tornado scenario presented at the workshop was timely based on current events.

Supervisor Greenwood said he's received complaints from Station 1 volunteers saying they can't get into their offices due to the COVID closure of the station to the public. Chief Reaves said he had offered to have someone meet them there multiple times but no one has taken them up on it. Supervisor Greenwood said he would relay that message to them.

Vice Chair Moren asked if the engine returned to the Santa Run after being called away on an emergency and said he had heard complaints. Chief Reaves said yes, their first priority is always to an emergency, and they did return to complete the Santa Run afterward.

Chairman Moskalski thanked the department for doing the Santa Runs. Chief Reaves said they enjoy doing it and feel it's good for the children and the public, as well as for the department staff. He said there are a lot of insurance issues which have changed the way they are allowed to do it now. For example, they can no longer throw candy and Santa is not allowed to ride on top, he has to be inside. He said they try to light him up as much as possible so he's very visible to the kids and public.

Chief Reaves thanked Mangohick for helping them cover the Santa Run in the northern area of the County.

Chairman Moskalski thanked Chief Reaves for his forthrightness in telling them what the department needs.

Chief Reaves said they are reapplying for the AFG to replace the brush truck. They learned that their application and others were never even viewed and AFG is changing their process to address that.

4.d. Parks & Recreation Department Update – Kayla Huffman, Parks & Rec Manager

Ms. Huffman outlined the many programs the department has going on and planned.

The after-school program has about 70 kids and is growing each week with both full-time and part-time attendance.

Their fall soccer league had over 70 kids. They had an eight-week season and received a $2,000 sponsorship from Tappahannock Chevrolet.

Spring soccer begins March 22nd.

Basketball has over 230 kids plus 25 for the Tot Shots program. Practices and games begin in January at the schools.

They held a Reindeer Run and had 60 runners who received t-shirts, snacks, and medals. Ms. Huffman thanked the Sheriff's office and VDOT for assisting them in temporarily closing some roads to keep the runners safe.

There are three instructors offering a variety of fitness classes.

They have held Holiday classes for cooking and are having a Christmas Camp. There was a wreath-making class and a centerpiece class.

CPR classes will be offered every other month beginning in January.

Senior offerings include Mahjong, Wii Bowling, and Bingo at the Ruritan.

They are working on offering more adult programs. They will offer adult flag football and are researching other sports for the best fit.

The 360 Complex has two part-time staff and public use is increasing. They have received donations from the community to help outfit it. The County held the Employee Recognition event there in November.

Maintenance has been prepping the parking area for gravel and the soccer field has been regraded and seeded.

Supervisor Garber said the Rec Center is very nice and they are doing a great job.

4.e. Proposed Water Tower Update – Sherry Graham, Director of Planning and Josh Sluder, Utilities Manager

Ms. Graham said Bowman will be surveying the property to pinpoint the best spot to locate the tower. Mr. Sluder said the property will be ready for surveying and site plan by this

Friday. The property owners, Carlyle and Brenda Clements, have been very open to making the property available for this work to be done.

Vice Chair Moren asked if it is unusual to ask for a fair market value on a property that someone is donating. Mr. Ashcraft said it can be done. Supervisor Moskalski said the owners may like to know the value of the gift for tax purposes.

Supervisor Garber asked where on the hill the tower was being located. Ms. Graham said there are a couple of high elevated spots on the property they are looking at.

4.f. New Circuit Court Clerk Election Process -Steve Hudgins, Interim County Administrator

Mr. Hudgins asked for the Board's guidance on a preferred date to set the special election for the Clerk of Circuit Court due to Ms. Normans upcoming retirement in February of 2022. State Code §24.2-228.1 dictates the Board must petition the Circuit Court to issue a Writ of Election to fill the vacancy and the election must be held "promptly", which is up to the Board to decide. The General Registrar believes it would be most efficient to hold the special election on the same date as the general election in November 2022. In order to run in the November 2022 election, prospective candidates must submit all paperwork by June 2022.

Chairman Moskalski asked if the Clerk's office was capable of operating for that long without a Clerk. Mr. Hudgins said he would ask the Judge. Chairman Moskalski said it was ok as long as the Judge says it's ok.

Supervisor Greenwood asked if the election could be held during the primary. Mr. Hudgins said it is not allowed.

Supervisor Hodges said nothing can be done until Ms. Norman actually retires.

Chairman Moskalski instructed Mr. Hudgins to ask the Judge about the timing as well. He noted the School Board would be meeting tomorrow to discuss the Chair's resignation effective January 1, 2022 and their election must be held at the same time. They will need to determine if they can wait that long without filling the position and also if they can appoint a qualified interim in the meantime.

Vice Chair Moren asked how much a special election costs. Chairman Moskalski said it is a lot and Mr. Hudgins added it is also a lot of work .

Supervisor Greenwood asked why they didn't wait last time with the February 2021 special election for the Commissioner of Revenue and Treasurer. Chairman Moskalski said because those two offices could not function without their officers.

Mr. Hudgins said he will speak with the Judge and School Board and come back with a draft Resolution at the January Work Session.

4.g. VPPSA Budget Request Update - Steve Hudgins, Interim County Administrator

Mr. Hudgins said VPPSA's costs are increasing due to the mandatory increase in the minimum wage. This will result in about an increase in cost to the County. King William County's share of the current FY22 VPPSA budget totals $956,258.00. This will increase to $1,077,499.00 for FY23 – an increase of 12.68%.

Mr. Hudgins also provided costs based on potentially adding additional service days.

Proposed Option 1 would add back in the days previously removed from the Epworth and King William landfill sites, which would make both sites open five days per week. This would be an increase of $21,000 annually. Mr. Hudgins noted this amount differs than the amount in his memo and reflects the most up-to-date information from VPPSA.

Proposed Option 2 would increase the days all sites are open to six. The additional cost would be $50,500 annually.

Vice Chair Moren said a solution needs to be found because they are expecting 120+ new homes in Central Garage. Ms. Graham said there are 120 new lots proposed for McCauley Park and another 294 lots possible at another site.

Chairman Moskalski said they need to focus on finding an alternate site in Central Garage and on finding possible refuse services in the area. He suggested talking with builders and HOAs to help find solutions to take pressure off the VPPSA sites.

Supervisor Greenwood said the traffic backups cause a safety issue.

Supervisor Garber asked about the County's contract with VPPSA and if it's subject to these price increases. Mr. Hudgins said it will be renegotiated this spring. VPPSA is a non-profit organization and the County's share is based on VPPSA's cost. The County is a VPPSA Board Member.

Chairman Moskalski said the County chooses the cost based on the level of services provided.

Mr. Hudgins said Mr. Magnant of VPPSA said their sister authorities in Central Virginia and other localities are all looking at increases of 60-80%.

4.h. Public Relations Update – Percy Ashcraft, County Administrator

Mr. Ashcraft said he is focusing on establishing better communications in the County and that it's difficult to get the word out in a County of our size which is so spread out.

The County will be making greater use of Facebook and posting more news and announcements (the County's Facebook page is not interactive).

The County has a new Twitter account which he is just starting to use. He noted Twitter reaches a young generation and has a far reach.

Mr. Ashcraft enjoys writing and has started a County Administrator's BLOG which is accessed through the County website.

Friday Newsletters will be sent to anyone who'd like them. They will contain a calendar of events and announcements from the previous week. The newsletter will also be a good tool for staff intercommunication. People can sign up to receive it via the County website.

Mr. Ashcraft said he wants to reach out into the community and speak with citizen groups on topics of their interest.

Chairman Moskalski said he is looking forward to it.

Supervisor Hodges asked if the Board would automatically be put on the list to receive the newsletter. Mr. Ashcraft said yes.

Agenda Item 5. BOARD OF SUPERVISORS' REQUESTS

Special Announcement: Vice Chair Moren announced that the County had been awarded a VATI grant with All Points Broadband to bring fiber-to-the-home to unserved areas of the County. The grant and State will provide 86% of the funding for the project. Vice Chair Moren said he is looking forward to it.

Supervisor Hodges had a statement on the signs which appeared in West Point saying a road would be closed for two days due to replacing railroad crossing ties. He said that road will not in fact be closed because it is the only way in and out of the subdivision there.

Supervisor Greenwood said he had received complaints about Personal Property Tax and would like to talk about the possibility of equalizing it next year.

Vice Chair Moren said he appreciated Mr. Ashcraft keeping them in the loop.

Supervisor Garber said he'd still like to talk about prorating Personal Property Tax and would like to see the data. He said he doesn't think values will be going down any time soon. He thanked Gene Campbell for taking new photos of the Board and County Administration staff and wished everyone a safe, happy and Merry Christmas.

Chairman Moskalski said he'd like to do something to recognize the King William High School football team at the January regular meeting. He said he'd like to invite the team and honor their accomplishment in winning the regional championship.

Agenda Item 6. CLOSED MEETING

6.a. Motion to Convene Closed Meeting

Vice Chair Moren made a motion to convene in Closed Meeting in accordance with Section 2.2-3711 (A)(1) of the Code of Virginia to consider a personnel matter involving the assignment of a specific public employee. Supervisor Hodges seconded the motion. The Chairman called for any discussion. The members were polled:

Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 5th District: Edwin H. Moren, Jr. – Vice Chair	Aye
Supervisor, 3rd District: Stephen K. Greenwood	Aye
Supervisor, 1st District: William L. Hodges	Aye
Supervisor, 2nd District: Travis J. Moskalski – Chairman	Aye

6.b. Motion to Reconvene in Open Session

Having completed the Closed Meeting, Supervisor Hodges made a motion to Reconvene in Open Session, seconded by Supervisor Greenwood. The Chairman called for any discussion.

The members were polled:

Supervisor, 5th District: Edwin H. Moren, Jr. – Vice Chair	Aye
Supervisor, 3rd District: Stephen K. Greenwood	Aye
Supervisor, 1st District: William L. Hodges	Aye
Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 2nd District: Travis J. Moskalski – Chairman	Aye

6.c. Certification of Closed Meeting

Supervisor Hodges moved for adoption of Standing Resolution 1 (SR-1) in accordance with Section 2.2-3712 (D) of the Code of Virginia, 1950, as amended; the motion was seconded by Supervisor Greenwood. The chairman called for any discussion.

The members were polled:

Supervisor, 3rd District: Stephen K. Greenwood	Aye
Supervisor, 1st District: William L. Hodges	Aye
Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 5th District: Edwin H. Moren, Jr. – Vice Chair	Aye
Supervisor, 2nd District: Travis J. Moskalski – Chairman	Aye

STANDING RESOLUTION – 1 (SR-1)
A RESOLUTION TO CERTIFY COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT REGARDING MEETING IN CLOSED MEETING

WHEREAS, the King William County Board of Supervisors has convened a closed meeting on this date pursuant to an affirmative recorded vote, and in accordance with the provisions of the Virginia Freedom of Information Act; and,

WHEREAS, Section 2.2-3712 (D) of the Code of Virginia requires a certification by the King William County Board of Supervisors that such closed meeting was conducted in conformity with Virginia law,

NOW, THEREFORE, BE IT RESOLVED that the King William County Board of Supervisors on this 13th day of December, 2021, hereby certifies that, to the best of each member's knowledge:

1. Only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act were heard, discussed, or considered in the closed meeting to which this certification resolution applies, by the King William County Board of Supervisors.

2. Only such public business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the King William County Board of Supervisors.

DONE this the 13th day of December, 2021.

<u>6.d. Action on Closed Meeting (if necessary)</u>

No action was taken as a result of the Closed Meeting.

<u>Agenda Item 7. ADJOURN OR RECESS</u>

Supervisor Greenwood made a motion to adjourn the meeting; seconded by Supervisor Garber. The chairman called for any discussion. The members were polled:

Supervisor, 1st District: William L. Hodges	Aye
Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 5th District: Edwin H. Moren, Jr. – Vice Chair	Aye
Supervisor, 3rd District: Stephen K. Greenwood	Aye
Supervisor, 2nd District: Travis J. Moskalski – Chairman	Aye

COPY TESTE:

Travis J. Moskalski, Chairman Board of Supervisors	Christine H. Branch Deputy Clerk to the Board of Supervisors

King William County
Est. 1702

Board of Supervisors

Steven G. Hudgins

William L. Hodges, First District
Travis J. Moskalski, Second District
Stephen K. Greenwood, Third District
C. Stewart Garber, Jr., Fourth District
Edwin H. Moren, Jr., Fifth District

DATE: December 13, 2021

TO: King William County Board of Supervisors

FROM: Karena Funkhouser, Commissioner of the Revenue

SUBJECT: Personal Property Tax Relief Act (PPTRA)

REQUEST FOR ACTION

For information only.

SUMMARY

The Personal Property Tax Relief Act (PPTRA), as amended in 2005, capped the amount the State reimbursed localities for personal property tax at $950 million. The amount allocated to each locality was based on the localities' personal property tax collections as a percentage of all personal property tax collected by all localities for the year 2005. The amount received by King William County was set at $1,204,131.00. The amount has not changed since 2006.

As the tax base grows, the $1.2 million must be proportioned over a larger base and the PPTRA rate decreases. In 2020, the value of motorcycles, cars, trucks and vans was $138,006,476.00. The amount in 2021 was $158,726,793.00. The $1.2 million is proportioned over the tax assessed from the vehicles qualifying for PPTRA. Business vehicles and heavy trucks do not qualify for PPTRA. King William County applies the PPTRA 100% to vehicles assessed at $1,000 or less. The owners of these vehicles receive no personal property tax bill. Not all counties apply the PPTRA in this manner. In King and Queen County, if your vehicle is assessed at $800, you will receive a personal property tax bill.

By law, the PPTRA rate must match the amount received from the State as closely as possible. It is not a means by which a locality may offset increases in tax revenue. See § 58.1-3524 C 2.

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King William County
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Board of Supervisors

Steven G. Hudgins

William L. Hodges, First District
Travis J. Moskalski, Second District
Stephen K. Greenwood, Third District
C. Stewart Garber, Jr., Fourth District
Edwin H. Moren, Jr., Fifth District

PPTRA Rates

2021 – 27.7%
2020 – 30% was the calculated rate The Supervisors voted to increase the rate to 35%.
2017, 2018, 2019 – 35%
2015, 2016 – 40%
2007 – 43%

Process:

- The personal property tax rate is set during the County budget process each year. For County residents outside of the town of West Point, the approved tax rate for 2021 is $3.65/$100.
- The Commissioner of the Revenue Office assesses vehicles at average trade-in value as published in nationally recognized pricing guides. The County uses the values (as of January 1 of the tax year) found in J.D. Power's National Automobile Dealers Association (NADA) Official Used Car Guide. The County assesses vehicles not listed in any recognized pricing guide at 80% of cost.

Any Commissioner of the Revenue may choose to use retail, trade-in or loan values to assess vehicles. The highest assessment values come from using the retail value. Trade-in values average about 86% of the retail value and loan values equal about 77% of the retail value.

Typically, a vehicle's assessment value decreases each year. For the first time since 2007, when the Federal Government offered "Cash for Clunkers" assessment values for used vehicles increased. The increase averaged between 10%-20%. This is a result of market conditions effecting supply and demand. During the pandemic, many automobile manufacturing plants shut down for long periods of time decreasing supply and people had COVID relief money to spend increasing demand. This is explained in more detail in the notice included with the personal property tax bills.

- The relief rate is calculated by dividing the $1.2 million by the total amount of the tax assessed on vehicles eligible to receive PPTRA.

- The Board of Supervisors approves the rate before bills are calculated and mailed.

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Hanover County receives approximately $15 million for PPTRA. Hanover was aware that the allocation would be based on the personal property collections and their collection rate in 2005 was 98.5%. The current PPTRA rate in Hanover is 43%.

When comparing King William's PPTRA rate to other localities, one must consider that County's collection rate in 2005, the amount of their State reimbursement, the method of assessment and whether or not the County issues bills for vehicles valued at less than $1,000.

Unfortunately for King William citizens, they experienced a 7% decrease in the PPTRA rate and higher assessment values.

Attachments

58.1-3524(C)2
"Why did my tax bill increase?"

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Code of Virginia
Title 58.1. Taxation
Subtitle III. Local Taxes
Chapter 35.1. Personal Property Tax Relief

§ 58.1-3524. Tangible personal property tax relief; local tax rates on vehicles qualifying for tangible personal property tax relief

A. For tax year 2006 and all tax years thereafter, counties, cities, and towns shall be reimbursed by the Commonwealth for providing the required tangible personal property tax relief as set forth herein.

B. For tax year 2006 and all tax years thereafter, the Commonwealth shall pay a total of $950 million for each such tax year in reimbursements to localities for providing the required tangible personal property tax relief on qualifying vehicles in subsection C. No other amount shall be paid to counties, cities, and towns for providing tangible personal property tax relief on qualifying vehicles. Each county's, city's, or town's share of the $950 million for each such tax year shall be determined pro rata based upon the actual payments to such county, city, or town pursuant to this chapter for tax year 2005 as compared to the actual payments to all counties, cities, and towns pursuant to this chapter for tax year 2005, as certified in writing by the Auditor of Public Accounts no later than March 1, 2006, to the Governor and to the chairmen of the Senate Committee on Finance and Appropriations and the House Committee on Appropriations. The amount reimbursed to a particular county, city, or town for tax year 2006 for providing tangible personal property tax relief shall be the same amount reimbursed to such county, city, or town for each subsequent tax year.

The reimbursement to each county, city, or town for tax year 2006 shall be paid by the Commonwealth over the 12-month period beginning with the month of July 2006 and ending with the month of June 2007, as provided in the general appropriation act. For all tax years subsequent to tax year 2006, reimbursements shall be paid over the same 12-month period. All reimbursement payments shall be made by check issued by the State Treasurer to the respective treasurer of the county, city, or town on warrant of the Comptroller.

C. For tax year 2006 and all tax years thereafter, each county, city, or town that will receive a reimbursement from the Commonwealth pursuant to subsection B shall provide tangible personal property tax relief on qualifying vehicles by reducing its local tax rate on qualifying vehicles as follows:

1. The local governing body of each county, city, or town shall fix or establish its tangible personal property tax rate for its general class of tangible personal property, which rate shall also be applied to that portion of the value of each qualifying vehicle that is in excess of $20,000.

2. After fixing or establishing its tangible personal property tax rate for its general class of tangible personal property, the local governing body of the county, city, or town shall fix or establish one or more reduced tax rates (lower than the rate applied to the general class of tangible personal property) that shall be applied solely to that portion of the value of each qualifying vehicle that is not in excess of $20,000. No other tangible personal property tax rate shall be applied to that portion of the value of each qualifying vehicle that is not in excess of $20,000. Such reduced tax rate or rates shall be set at an effective tax rate or rates such that (i) the revenue to be received from such reduced tax rate or rates on that portion of the value of

qualifying vehicles not in excess of $20,000 plus (ii) the revenue to be received on that portion of the value of qualifying vehicles in excess of $20,000 plus (iii) the Commonwealth's reimbursement is approximately equal to the total revenue that would have been received by the county, city, or town from its tangible personal property tax had the tax rate for its general class of tangible personal property been applied to 100 percent of the value of all qualifying vehicles.

3. Notwithstanding the provisions of subdivisions 1 and 2, beginning with tax year 2016, each county, city, and town that receives reimbursement shall ensure that the reimbursement pays for all of the tax attributable to the first $20,000 of value on each qualifying vehicle leased by an active duty member of the United States military, his spouse, or both, pursuant to a contract requiring him, his spouse, or both to pay the tangible personal property tax on such vehicle. The provisions of this subdivision apply only to a vehicle that would not be taxed in Virginia if the vehicle were owned by such military member, his spouse, or both.

D. On or before the date the certified personal property tax book is required by § 58.1-3118 to be provided to the treasurer, the commissioner of the revenue shall identify each qualifying vehicle and its value to the treasurer of the locality.

E. The provisions of this section are mandatory for any county, city, or town that will receive a reimbursement pursuant to subsection B.

1998, Sp. Sess. I, c. 2;2004, Sp. Sess. I, c. 1;2015, c. 266.

The chapters of the acts of assembly referenced in the historical citation at the end of this section(s) may not constitute a comprehensive list of such chapters and may exclude chapters whose provisions have expired.