

**APPROVED MINUTES
KING WILLIAM COUNTY BOARD OF SUPERVISORS
SPECIAL CALLED MEETING OF SEPTEMBER 1, 2023**

A special called meeting of the Board of Supervisors of King William County, Virginia, was held on the 1st day of September, 2023 beginning at 9:00 a.m. in the Board Meeting Room of the County Administration Building and via Zoom.

AGENDA ITEM 1. CALL TO ORDER

Chairman Hodges called the meeting to order.

AGENDA ITEM 2. APPROVAL OF ELECTRONIC PARTICIPATION BY A BOARD MEMBER

Not necessary.

AGENDA ITEM 3. ROLL CALL

The members of the Board of Supervisors were polled:

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

AGENDA ITEM 4. SPECIAL MEETING MATTERS

4.a. Personal Property Tax Discussion and Consideration of Emergency Ordinance 08-23 - Steve Hudgins, Deputy County Administrator.

Mr. Hudgins said the Board had asked staff to review the expected revenue with updated property numbers that were provided by the Commissioner of the Revenue at a previous meeting. Staff looked at the numbers, considered the higher anticipated collection rate, and felt we should be able to match what our projected revenue was, which was about five million dollars. If the Board feels they want to consider providing further relief on the vehicle property tax, they can do so but will need to fund the difference. Two options were presented.

Chairman Hodges said he thinks the Board wants to do option two and not take any funding from schools. He asked if this would affect our 20% minimum policy in the unassigned fund balance. Mr. Hudgins said it would not.

Vice Chair Garber asked what the average value of a car is now. Mr. Hudgins said \$10K.

Supervisor Greenwood asked for the number of new vehicles for this year. Mr. Hudgins said 400.

Supervisor Greenwood said he wants to see the pre-COVID JD Power assessed values for comparison. He said he'd like to equalize the rate to what people were paying pre-COVID. Mr. Hudgins said the tax rate was dropped by \$1 last year based on the elevated values coming from JD

Power. This year's rate was adjusted based on the Commissioner of the Revenue's information from JD Power saying values were returning to normal and assuming a higher rate of collection.

Supervisor Moren asked what affects the collection rate. Commissioner Funkhouser said the amount paid to the Treasurer, sales, abatements, and moves. This is the first year the Treasurer has used TACS to collect delinquent taxes and they expect the collection rate to be 84%.

Supervisor Greenwood asked the difference between this year and last year. Commissioner Funkhouser said values are down 12% in the county and 15% in the town.

Supervisor Moren asked if vehicle values have decreased further since January 2023. Commissioner Funkhouser said they are decreasing about 1% per month.

Supervisor Moren asked what would be the impact of recalculating the tax rate based on as current a value as possible. Commissioner Funkhouser said she doesn't have time to get new numbers from JD Powers now.

Supervisor Greenwood asked if 50 cents would bring us closer or is it too much based on the vehicle values decreasing. Commissioner Funkhouser said she can't tell. She said there were 800 new vehicles 2021, 400 in 2022, and 500 in 2023. She said a 25-30 cent reduction should keep people even – some would pay more and some would pay less.

Vice Chair Garber asked if 50 cents would make taxpayer bills lower than last year. Commissioner Funkhouser said King William receives \$1,204,131 from the state for Personal Property Tax Relief (PPTRA) on vehicles with a value of \$1,000 or less. She adjusts the PPTRA rate to ensure as much of that amount as possible is expended, so no money is sent back to the state. The county cannot provide additional relief funds to go along with the state funds.

Supervisor Greenwood asked if these funds from the state will go away. Commissioner Funkhouser said the amount will stay the same forever. The PPTRA rate would decrease based on more qualified vehicles in the county. Supervisor Greenwood said the Board cannot change the PPTRA rate, on the COR can. The Board only approves it because state code requires it. Commissioner Funkhouser said the Board sets the tax rate. They cannot set the PPTRA rate.

Supervisor Moren asked if we were confident the unassigned fund balance would remain healthy after deducting these funds. Mr. Hudgins said yes.

Vice Chair Garber asked how far above the 20% the fund balance would be. Mr. Hudgins said currently we are 1.7% above the 20% or \$700,000.

Supervisor Greenwood asked if option #2 would reduce anyone's operating budget. Mr. Hudgins said no one's operating budget would be reduced.

Supervisor Greenwood made a motion that the Board go with option #2 and approve **Emergency Ordinance 08-23**, setting the vehicle rate at \$3.15 (\$1.15 county rate, \$2 school rate). Vice Chairman Garber seconded it. The Chairman called for any discussion.

Supervisor Moren commented that this is one of the main funding sources for the schools and great care was taken to make sure they were not impacted. He wanted to make sure that the public was aware of this.

Supervisor Greenwood said he received comments from concerned citizens related to the PPTRA and the personal property tax rate due to confusion over what each is and who sets them.

The members were polled:

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

ORDINANCE 08-23 (EMERGENCY)
AN EMERGENCY ORDINANCE TO ESTABLISH PROPERTY TAX LEVIES UPON TANGIBLE PERSONAL PROPERTY FOR THE CLASSIFICATIONS OF VEHICLES AS LISTED IN § 58.1-3503(A)(3-5, 9-10) OF THE CODE OF VIRGINIA FOR THE CALENDAR YEAR 2023

WHEREAS the King William County Board of Supervisors passed Ordinance 04-23R establishing real estate and personal property tax levies for King William County for calendar year 2023 on May 8, 2023 following a duly advertised Public Hearing held on April 24, 2023; and

WHEREAS the King William County Board of Supervisors passed Ordinance 07-22 on August 22, 2022 establishing a new class of tangible personal property for local personal property tax purposes as allowed by 2022 House Bill 1239 (2022 Acts of Assembly, Chapter 30) (“House Bill 1239”) which includes the following types of vehicles:

- a. Automobiles as described in Va. Code § 58.1-3503(A)(3);
- b. Passenger trucks as described in Va. Code § 58.1-3503(A)(4)-(5);
- c. Motor vehicles with specially designed equipment for use by the handicapped as described in Va. Code § 58.1-3503(A)(9); and
- d. Motorcycles, mopeds, all-terrain vehicles, and off-road motorcycles, campers, and other recreational vehicles as described in Va. Code § 58.1-3503(A)(10); and

WHEREAS the Board of Supervisors desires to assign a rate of tax to this class different from the rate applicable to the general class of tangible personal property for the taxable year beginning January 1, 2023 and ending December 31, 2023, as allowed by House Bill 1239; and

WHEREAS the Board approved Resolution 23-55 on August 28, 2023 setting a Personal Property Tax Relief Act (PPTRA) rate of 22.1%; and

WHEREAS the Board now wishes to consider a reduced personal property tax rate on vehicles as defined by House Bill 1239, which may require an amendment to the previously adopted PPTRA rate; and

WHEREAS the Commissioner of the Revenue informed the Board on August 30, 2023 that any change to the personal property tax rate must be adopted by September 1, 2023 in order to amend the PPTRA rate as required by County Code; and

WHEREAS the timing of such change to the tax rate required a Special Called Meeting to be held at which an Emergency Ordinance to effect such change must be considered.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the King William County Board of Supervisors, through this Emergency Ordinance 08-23, that the following County tax levies be, and they hereby are, imposed on all tangible personal property for the above-referenced classifications of vehicles, as listed in 2022 House Bill 1239 and described in Va. Code 58.1-3503(A)(3-5, 9-10), not exempted by law and located within King William County for the calendar year 2023; and

General Fund Levy

**TAX RATES PER \$100 OF ASSESSED VALUES
FOR ALL DISTRICTS**

		<u>General Fund</u>
Real Estate	\$	0.27
Mobile Home	\$	0.27
Mines and Minerals	\$	0.27
Public Service Real Estate	\$	0.27
Public Service Personal Property	\$	1.65
Personal Property	\$	1.65
Machinery & Tools	\$	1.00
Aircraft	\$	N/A
Vehicles as listed in § 58.1-3506(A)(48) of the Code of Virginia.	\$	1.15

School Fund Levy – (Applies only to geographic areas of the County within the King William County School Division – does not include the Town of West Point)

TAX RATES PER \$100 OF ASSESSED VALUES

		<u>School Fund</u>
Real Estate	\$	0.31
Mobile Home	\$	0.31
Mines and Minerals	\$	0.31
Public Service Real Estate	\$	0.31
Public Service Personal Property	\$	2.00
Personal Property	\$	2.00
Machinery & Tools	\$	1.25
Aircraft	\$	1.30
Vehicle as listed in § 58.1-3506(A)(48) of the Code of Virginia.	\$	2.00

BE IT FURTHER ORDAINED AND ENACTED by the King William County Board of Supervisors that, other than those property tax levies amended herein, the County tax levies imposed via Ordinance 04-23R remain in effect for all other classes of tangible personal property, real estate, mobile homes, public service corporation property, machinery and tools, and aircraft; and

BE IT FURTHER ORDAINED AND ENACTED that this Emergency Ordinance is effective immediately and will remain in effect for no more than sixty (60) days unless readopted in conformity with the provisions of Section 15.2-1427 of the Code of Virginia; and

BE IT FURTHER ORDAINED that the County Administrator and Clerk to the Board of Supervisors are directed to publish this Ordinance in conformity with Section 15.2-1427(F) of the Code of Virginia for the Board to hold a public hearing on readoption of this Ordinance no later than October 29, 2023.

ADOPTED this the 1st day of September, 2023.

4.b. Consideration of Amendment to Resolution 23-55 Setting the PPTRA Percentage for 2023 (if necessary) - Steve Hudgins, Deputy County Administrator

Chairman Hodges wanted to clarify that the PPTRA rate was not the same as the personal property tax rate and explained the difference. He said there was a lot of confusion in the public media prior to the meeting.

After discussion, the PPTRA rate language of “a dollar amount equal to 26.5% of the amount otherwise owed, plus or minus one percent (1%) as determined by the Commission of the Revenue, so as to fully exhaust the PPTRA relief fund provided to the County by the Commonwealth, as called for in the ordinance” was agreed upon by the Board.

Vice Chairman Garber made a motion to approve Resolution 23-55R setting the PPTRA rate to a dollar amount equal to 26.5% of the amount otherwise owed, plus or minus one percent (1%) as determined by the Commission of the Revenue, so as to fully exhaust the PPTRA relief fund provided to the County by the Commonwealth, as called for in the ordinance. Supervisor Greenwood seconded. The members of the Board of Supervisors were polled:

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

RESOLUTION 23-55R
AMENDING THE PERSONAL PROPERTY TAX RELIEF PERCENTAGE FOR THE
PERSONAL PROPERTY 2023 BILLING IN ACCORDANCE WITH THE 2004-2005
CHANGES TO THE PERSONAL PROPERTY TAX RELIEF ACT OF 1998

WHEREAS the Board of Supervisors (hereinafter Board) adopted King William County Code Sections 70-149 and 70-150 on December 12, 2005 implementing the 2004-2005 changes to the Personal Property Tax Relief Act of 1998 (PPTRA), in response to legislative enactments; and

WHEREAS such County Code sections provide that the Board shall annually set the rate of tax relief on qualifying vehicles at a level that is anticipated to fully exhaust tax relief funds provided to the County by the Commonwealth; and

WHEREAS County Code Section 70-150 provides that personal property tax relief shall be applied so as to eliminate personal property taxation on qualifying vehicles with an assessed value of One Thousand Dollars (\$1,000.00) or less; and

WHEREAS the King William County Commissioner of the Revenue has made a projection based upon the County's historical growth in personal property tax values of the level necessary to fully exhaust the PPTRA relief fund provided to the County by the Commonwealth, as called for in the ordinance; and

WHEREAS it is necessary for this Board to establish the allocation of tax relief for the first Twenty Thousand Dollars (\$20,000.00) in assessed value of other qualifying vehicles; and

WHEREAS the Board approved Resolution 23-55 on August 28, 2023 setting a PPTRA rate of 22.1%; and

WHEREAS the Board adopted Emergency Ordinance 08-23 on September 1, 2023 reducing the personal property tax rate on vehicles as defined by House Bill 1239 (Chapter 30, 2022 Acts of Assembly) which now requires an amendment to the previously adopted PPTRA rate;

NOW THEREFORE BE IT RESOLVED that, for Calendar Year 2023, qualifying vehicles with assessed values of more than One Thousand Dollars (\$1,000.00) shall have their tax computed by reducing the amount otherwise owed on the first Twenty Thousand Dollars (\$20,000.00) of assessed value of such qualifying vehicle by a dollar amount equal to 26.5% of the amount otherwise owed, plus or minus one percent (1%) as determined by the Commission of the Revenue, so as to fully exhaust the PPTRA relief fund provided to the County by the Commonwealth, as called for in the ordinance.

DONE this the 1st day of September, 2023.

AGENDA ITEM 5. CLOSED MEETING

5.a. Motion to Convene Closed Meeting

Supervisor Greenwood made a motion to Convene Closed Meeting in accordance with Section 2.2-3711 (A)(3) of the Code of Virginia regarding the acquisition of real property for a public purpose. Motion was seconded by Vice Chair Garber. The members were polled:

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

5.b. Motion to Reconvene in Open Session

Supervisor Greenwood made a motion to Reconvene in Open Session; seconded by Vice Chair Garber. The Chairman called for any discussion. The members were polled:

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

5.c. Certification of Closed Meeting

Supervisor Moren moved for the adoption of Standing Resolution 1 (SR-1) in accordance with Section 2.2-3712 (D) of the Code of Virginia, 1950, as amended; seconded by Supervisor Greenwood. The Chairman called for any discussion. The members were polled:

Supervisor, 3rd District: Stephen K. Greenwood	Aye
Supervisor, 4th District: C. Stewart Garber, Jr. – Vice Chair	Aye
Supervisor, 5th District: Edwin H. Moren, Jr.	Aye
Supervisor, 2nd District: Travis J. Moskalski	Absent
Supervisor, 1st District: William L. Hodges – Chair	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 1st day of September, 2023, 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 by the King William County Board of Supervisors in the Closed Meeting to which this certification resolution applies; and
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 1st day of September, 2023.

5.d. Action on Closed Meeting (if necessary)

Not Needed

AGENDA ITEM 6. ADJOURN OR RECESS

Vice Chair Garber made a motion to adjourn; seconded by Supervisor Greenwood. The members were polled:

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

COPY TESTE:

William L. Hodges, Chairman
Board of Supervisors

Christine H. Branch
Clerk to the Board of Supervisors