

# CITY OF WINCHESTER, VIRGINIA

## PROPOSED CITY COUNCIL AGENDA ITEM

CITY COUNCIL/COMMITTEE MEETING OF: 04/28/2015 CUT OFF DATE: \_\_\_\_\_

RESOLUTION   X   ORDINANCE      PUBLIC HEARING     

ITEM TITLE: Personal Property Tax Relief Rate for Tax Year 2015

STAFF RECOMMENDATION: Approve

PUBLIC NOTICE AND HEARING:

ADVISORY BOARD RECOMMENDATION:

FUNDING DATA:

INSURANCE:

The initiating Department Director will place below, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The Director's initials for approval or disapproval address only the readiness of the issue for Council consideration. This does not address the Director's recommendation for approval or denial of the issue.

<u>DEPARTMENT</u>	<u>INITIALS FOR APPROVAL</u>	<u>INITIALS FOR DISAPPROVAL</u>	<u>DATE</u>
1. <u>Finance</u>	<u>B</u>		<u>4-7-15</u>
2. <u>Treasurer</u>	<u>[Signature]</u>		<u>4/7/2015</u>
3. _____			
4. _____			
5. <u>City Attorney</u>	<u>[Signature]</u>		<u>4/4/2015</u>
6. <u>City Manager</u>	<u>[Signature]</u>		<u>17 April 2015</u>
7. <u>Clerk of Council</u>			

Initiating Department Director's Signature: [Signature] Date: 04/07/15



TO FORM:  
[Signature] 4/8/2015

# CITY COUNCIL ACTION MEMO

**To:** Honorable Mayor and Members of City Council  
**From:** Ann T. Burkholder, Commissioner of the Revenue *ATB*  
**Date:** April 14, 2015  
**Re:** Personal Property Tax Relief Rate for Tax Year 2015

**THE ISSUE:** Approval of the Personal Property Tax Relief Rate for tax year 2015 at the proposed rate of fifty-three percent (53%).

**RELATIONSHIP TO STRATEGIC PLAN:** This is a matter of fair and equitable taxation.

**BACKGROUND:** The Personal Property Tax Relief Act of 1998 is explained in detail in Code of Virginia §58.1-3523 through §58.1-3536. As of the 2006 Amendments to this Act, the City of Winchester receives \$2,600,000 (\$2.6 million) annually from the state pool of tax relief funds to distribute equitably across the first \$20,000 in assessed value of qualifying vehicles, including those which are those for personal use and of a gross weight not to exceed 7,500 pounds. Although the current personal property tax rate for the City is \$4.50 per \$100.00 of assessed value, the City calculates personal property tax relief based upon the \$3.50 rate in effect as of 2006.

As the City bills vehicle personal property one year in arrears, we face the challenge of predicting an accurate reimbursement rate two years into our billing future. This recommendation is based upon considerations of economic and historical trending, consultation with other City departments and improved data accuracy.

**BUDGET IMPACT:** Minimal.

**OPTIONS:** As this is a state-mandated program, the only option is to be as accurate as possible. Distributing less than the allocated amount deprives taxpayers of state aid, while any over-distribution becomes the financial responsibility of the locality. Analysis indicates overall stability amongst the overall pool of qualifying vehicles, with the ability to slightly increase the relief granted to taxpayers.

**RECOMMENDATION:** The Commissioner of the Revenue recommends a Personal Property Tax Relief Rate for tax year 2015 at fifty-three percent (53%) for qualifying vehicles in the City of Winchester, consistent with the rate for 2014.



## THE COMMON COUNCIL

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### RESOLUTION

**WHEREAS**, by ordinance No.031-2005, adopted by Council on October 11, 2005, as amended by Ordinance No 2006-27, adopted by Council on July 11, 2006,("Implementing Ordinance"), Council shall by resolution set the rate of tax relief in implementation of the Personal Property Tax Relief Act of 1998, as amended; and

**WHEREAS**, the Commissioner of Revenue for the City of Winchester has provided information to Council to assist Council in setting the rate of tax relief

**NOW therefore be it RESOLVED**, pursuant to Section 2(b) of the Implementing Ordinance, that for tax year 2015 the rate of tax relief shall be fifty-three percent (53%) of the tax levy on qualified vehicles, based on a tax rate of \$3.50 per \$100.00 of valuation.