

Revenue Steering Team

Purpose

- To ensure we are using the best possible methods to optimize the financial environment of James City County for the benefit of and in service to citizens through improvements in communications, processes and expectations

Team Members

- Richard Bradshaw, Commissioner of Revenue
- Ann Davis, Treasurer
- Adam Kinsman, Assistant County Attorney
- Carol Luckam, Manager of HR (Facilitator)
- John McDonald, Manager of FMS
- Doug Murrow, Director of Code Compliance
- Richard Sebastian, Director of Real Estate Assessments

RST Accomplishments

- New Schedules
 - Personal Property
 - Real Estate
 - Supplements
 - Land Use
- Internal Customer COR Information Request Form

RST Accomplishments

- Benefits
 - Consistency in Cash Flow
 - Improve Trend Info for Budgeting
 - Identify anomalies
 - Improve Communications

Current Items Being Addressed

- Items Requiring Action
- JCC Initiated

Items Requiring Action

- Personal Property Tax Relief Act (PPTRA)
- Business Professional and Occupational Licenses (BPOL)

JCC Initiated

- Real Estate Tax Exemptions Deadline Change
- Business Personal Property and Machinery and Tool Filing Penalty

PPTRA

Personal Property Tax Relief Act

Overview

- State first passed in 1998
- Result: Citizens paid less tax
- State paid
 - A portion of the tax
 - On qualifying vehicles
 - To JCC
 - On the citizens' behalf

Overview

- Since 1998, there has been growth Statewide in:
 - Number of citizens
 - Number of vehicles
 - Value of vehicles
- Result:
 - The State has paid more money than they expected.

Overview

- Over the past 2 years
 - General Assembly passed legislation
 - Changed the program
 - Capped payment to JCC on our citizens' behalf
- Result:
 - County has grown & will grow
 - State pays less in Personal Property Tax Relief per citizen

Methodology Decision

- Two Options for distribution
 - Outlined in legislation
- Each option can affect citizens the same

Methodology Decision

- | | |
|---|---|
| <ul style="list-style-type: none">■ Reduced Rate<ul style="list-style-type: none">■ Must adopt multiple rates annually■ Less than \$1,000 vehicles billed■ Confusing bills■ Increased Admin cost | <ul style="list-style-type: none">■ Specific Relief<ul style="list-style-type: none">■ No requirement to change rates■ Less than \$1,000 vehicles may be exempt■ Bills will look same■ No increase in Admin Cost |
|---|---|

Methodology Decision

- If Specific Relief Method chosen
 - Options for vehicles valued less than \$1,000
 - Bill them for tax due
 - Rely on Treasurer's write off authority
 - Specific exemption

Methodology Recommendation

- Adopt Specific Relief Method
 - Adopt specific exemption for vehicles valued under \$1,000

The Transition Decision

- 9/1/2006 is the end of the Old program

- What should County do if citizens have not paid prior year taxes?

Transition Options

- The County may:
 - Pay State portion of delinquent bill
 - Or
 - Instruct Treasurer to bill State portion to citizen

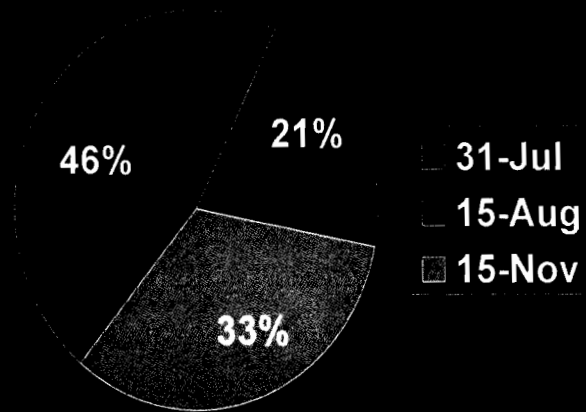
Transition Recommendation

- Instruct the Treasurer to bill State portion to citizen.

Cash Flow Changes

- | ■ Current | ■ New |
|-------------------------------|-----------------------------|
| ■ State pays as taxpayer pays | ■ Receive 3 payments |
| ■ Monthly State Payments | ■ July 31 |
| | ■ Aug 15 |
| | ■ Nov 15 |

Estimated New Cash Flow



Proposed BPOL Ordinance
Change

BPOL

■ Receipts	Current	Proposed
Initial License	Min. \$30	Min. \$30
Renewal		
\$0 to \$4K	\$0	\$0
\$4K to \$50K	\$30	\$30
\$50 to \$100K	Taxed	\$50
\$100K +	Taxed	Taxed

Why?

- Triggered by population changes
 - JCC now greater than 50,000 in population

JCC Initiated Changes

Real Estate Tax Exemption

- | | |
|---|---|
| ■ Current filing date | ■ Proposed filing date |
| ■ May 1 | ■ June 1 |
| ■ June 1 for 1 st time filers and hardship | ■ July 1 for 1 st time filers and hardship |

Real Estate Tax Exemption

- Why?
 - Align with assessment change
 - From tax year
 - To fiscal year
 - Will improve Communication
 - Can send out information with Spring Billing

Late Filing Penalties

- Proposed 10% Late Filing Penalty for:
 - Business Tangible Personal Property
 - Machinery and Tools
- Why?
 - Consistent with other filings
 - Without Penalty-no incentive to file

Recap

- Guidance on changes to:
 - PPTRA
 - BPOL
 - Real Estate Exemption Deadline
 - Late Filing Penalties

Next Steps

- Advertise for Public Hearing
- Public Hearing on November 22
- Vote on adoption of changes
- Effective date January 1