



TOWN COUNCIL SPECIAL WORK SESSION

Wednesday, March 22, 2023 @ 7:00pm in the Town Hall Conference Room

View meeting online LIVE at <https://www.frontroyalva.com/673/Town-Hall-Live>

1. Roll Call

7:00pm 2. Advertisement of 2023 Real Estate and Personal Property Tax Rate – *BJ Wilson*

7:20pm 3. CLOSED MEETING

Motion to go into Closed Meeting

[to be approved by affirmative recorded vote, with motion set forth in detail in the minutes]

I move that Town Council convene a closed meeting, pursuant to Section 2.2-3711(A)(8) of the Code of Virginia, for consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, specifically, proposed agreement with Discover Front Royal, Inc., related to promotion of the Town's common economic interests and tourism.

Motion to Certify Closed Meeting at its Conclusion

[At the conclusion of the Closed Meeting, immediately re-convene in open meeting and take a roll call vote on the following:]

I move that Council certify that to the best of each member's knowledge, as recognized by each Council member's affirmative vote, that only such public business matters lawfully exempted from Open Meeting requirements under the Virginia Freedom of Information Act as were identified in the motion by which the Closed Meeting was convened were heard, discussed or considered in the Closed Meeting by Council, and that the vote of each individual member of Council be taken by roll call and recorded and included in the minutes of the meeting of Town Council.



SPECIAL Work Session Agenda Statement

Item # 02

Meeting Date: March 22, 2023

Agenda Item: Advertisement of 2023 Real Estate and Personal Property Tax Rate

Summary: Council is requested to provide direction to Town staff on the rates to advertise for the 2023 real estate tax rate and personal property tax rate, so that a public hearing may be added to the April 22, 2023 regular meeting.

The 2022 Town of Front Royal Real Estate Tax was \$0.13 per \$100 of assess value and the Personal Property Tax Rate was \$0.64 per \$100 of assessed value with a Personal Property Tax Relief Rate of 49%.

The FY24 Proposed Budget includes revenues based upon equalization of real estate taxes with a real estate tax rate of \$0.10 per \$100 of assessed value, maintaining the Personal Property Tax Rate of \$0.64 per \$100 of assessed value with a Personal Property Tax Relief Rate of 46%.

Budget/Funding: The FY24 Proposed Budget includes revenues based upon equalization of real estate tax rates.

Staff Recommendation: Staff recommends approving an advertisement of the FY24 (2023 Calendar Year) real estate tax rate of no less than \$0.10 per \$100 of assessed value., Personal Property Tax Rate of \$0.64 per \$100 of assessed value with a Personal Property Tax Relief Rate of 46%. Public Hearing to be held on April 24, 2023.

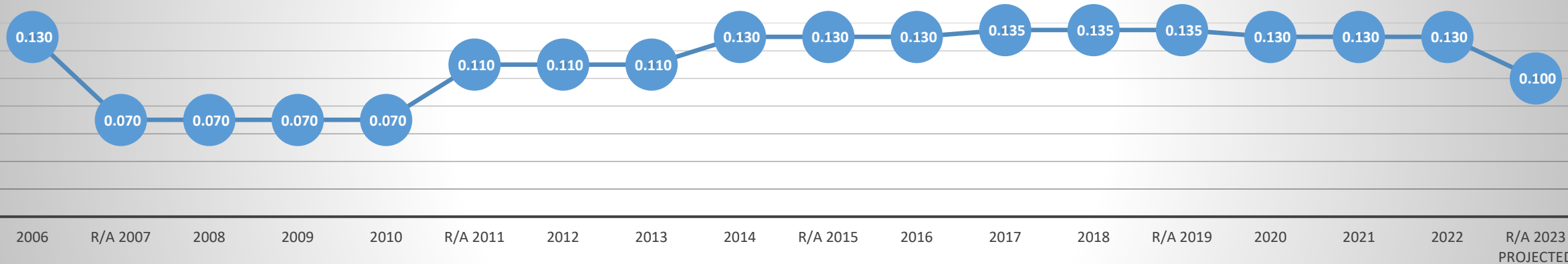
BJ Wilson
Finance Director

Calendar Year 2023
Real Estate & Personal Property
Tax Rates



102 E. Main Street | Front Royal, VA 22630 | frontroyalva.com

Real Estate Tax Rate per \$100 Assessed Value



- Property reassessment figures show that Town Real Estate Values have increased approximately an average of 27.8%
- Based on 2023 Real Estate Assessed Value \$0.01 of RE Tax Rate = \$185,630 in revenue
- A property with an assessed value of \$300,000 would have an annual Town Real Estate Tax Bill of \$300.00 (\$150.00 due June 2023 & \$150.00 due December 2023)



REAL ESTATE TAX RATE COMPARISON

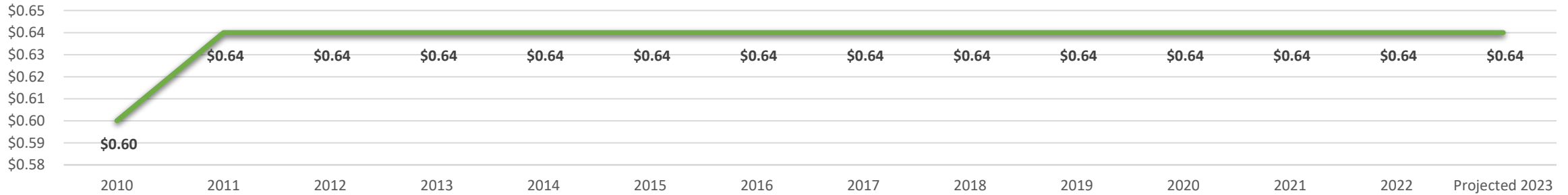
	<i>Proposed</i>					<i>Prior Year</i>		
R/E Tax Rate Per \$100 Assessed Value	\$ 0.100	\$ 0.105	\$ 0.110	\$ 0.115	\$ 0.120	\$ 0.125	\$ 0.130	\$ 0.135
Estimated Total Real Estate Tax Revenue	\$ 1,826,050	\$ 1,917,352	\$ 2,008,655	\$ 2,099,957	\$ 2,191,260	\$ 2,282,562	\$ 2,373,865	\$ 2,465,167
Revenue Difference From FY24 Proposed Budget	\$ (64,635)	\$ 26,667	\$ 117,970	\$ 209,272	\$ 300,575	\$ 391,877	\$ 483,180	\$ 574,482

COMPARISON OF REAL ESTATE TAX BILL BASED ON PROPERTY ASSESSED AT \$300,000

<i>Total Annual Real Estate Tax Bill</i>	\$ 300	\$ 315	\$ 330	\$ 345	\$ 360	\$ 375	\$ 390	\$ 405
<i>June RE Tax Bill</i>	\$ 150	\$ 158	\$ 165	\$ 173	\$ 180	\$ 188	\$ 195	\$ 203
<i>December RE Tax Bill</i>	\$ 150	\$ 158	\$ 165	\$ 173	\$ 180	\$ 188	\$ 195	\$ 203



Personal Property Rate Per \$100 of Value



- Based on Preliminary 2023 Personal Property Figures the total assessed values of personal property for the Town has decreased \$36,586,875; approximately 20% decrease in total value
- Personal Property Tax rate proposed to remain at \$0.64 per \$100
 - Based on 2023 Preliminary Personal Property Revenue \$0.01 of PP Tax Rate = \$14,606 in revenue
- Preliminary figures for vehicle values show a decrease of 12% from January 2022
- Revenue associated with Personal Property included in the FY24 Budget:
 - Personal Property Tax- \$503,495
 - Vehicle License Fees (aka decals) - \$384,660
 - Virginia Personal Property Tax Relief - \$287,000 (Cap set by 2005 General Assembly)



NEXT STEPS

- Direct staff to advertise tax rates for Council to hold public hearing and approve
- Once advertised, tax rates may be decreased at time of approval; but may not be increased above amount advertised
- Advertising for public hearing to be held during April 24, 2023 Regular Council Meeting
- Potentially staff will request a delay of penalties and interest associated with Personal Property & Real Estate Taxes to allow adequate processing time for mailing of bills



Questions??



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