

PITTSYLVANIA COUNTY
Board of Supervisors
FINANCE COMMITTEE MEETING
EXECUTIVE SUMMARY

<p><u>AGENDA TITLE:</u> Proposed Amendment to Merchants' Capital Tax</p> <p><u>REQUEST:</u> Public Hearing Authorization</p> <p><u>STAFF CONTACTS:</u> Mr. Monday; Mr. Hunt</p>	<p><u>AGENDA DATE:</u> <u>ITEM NUMBER:</u> 08-16-2016</p> <p><u>ACTION:</u> Yes</p> <p><u>ATTACHMENTS: (9)</u> (1) Warren's MCT Revision Motion (2) Proposed MCT Revision Comparison Chart (3) Current FY 2017 Budget Resolution (4) Proposed Revised FY 2017 Budget Resolution (5) Proposed Resolution Implementing MCT Revisions (6) Proposed Resolution for Budget Resolution Revision (7) Proposed Advertisement for MCT Revision Implementation Public Hearing (8) Proposed Advertisement for Budget Resolution Revision (9) Public Hearing Legal Authority</p> <p><u>REVIEWED BY:</u></p>
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BACKGROUND:

At a recent Pittsylvania County Board of Supervisors' ("BOS") Finance Committee Meeting, the BOS determined it potentially desired to change the way the County assesses its Merchants' Capital Tax from its current assessment method, \$2.75 per \$100 of assessed value, 30% of original value; to the following:

MERCHANTS' CAPITAL TAX

\$2.75 rate (applied to all below tiers; effective January 1, 2016)		
Tier 1	Tier 2	Tier 3
30% of original inventory cost	10% of original inventory cost	5% of original inventory cost
\$1 to \$1,000,000	\$1,000,001 to \$5,000,000	\$5,000,001 to unlimited

The BOS then directed County Staff to return to it a blueprint for how to implement the above-changes to the Merchant's Capital Tax. Enclosed please find said blueprint.

RECOMMENDATION:

For the BOS' consideration. If it desires to make the enclosed changes to the County's Merchants' Capital Tax, County Staff recommends the following three (3) step process. Step one (1) involves advertising and conducting a public hearing (per Virginia Code § 15.2-1427, enclosed) to change the County's Merchants' Capital Tax assessment methodology via adoption of a Resolution. Step two (2) involves advertising and conducting a public hearing (per Virginia Code § 15.2-2506, enclosed) to amend the County's FY 20107 Budget Resolution (Resolution 2016-04-01). Step three (3) involves (again, per Virginia Code § 15.2-2506, enclosed) waiting at least seven (7) days after the Step two (2) public hearing to approve any amendment to the County's FY 2017 Budget Resolution (Resolution 2016-04-01) via Resolution.

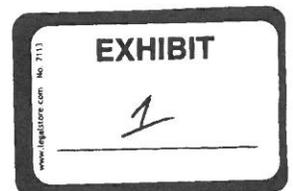
Accordingly, County Staff seeks a Motion authorizing it to advertise and conduct the public hearing required under Step one (1) above to potentially revise the County's Merchants' Capital Tax assessment methodology.

SUPERVISOR WARREN'S MOTION

I make a Motion to make the following adjustment to the County's Merchants' Capital Tax, effective January 1, 2016:

MERCHANTS' CAPITAL TAX

\$2.75 rate (applied to all below tiers; effective January 1, 2016)		
Tier 1	Tier 2	Tier 3
30% of original inventory cost	10% of original inventory cost	5% of original inventory cost
\$1 to \$1,000,000	\$1,000,001 to \$5,000,000	\$5,000,001 to unlimited



CURRENT MERCHANTS' CAPITAL TAX

\$2.75 per \$100 of assessed value, 30% of original value

PROPOSED NEW MERCHANTS' CAPITAL TAX

\$2.75 rate (applied to all below tiers; effective January 1, 2016)		
Tier 1	Tier 2	Tier 3
30% of original inventory cost	10% of original inventory cost	5% of original inventory cost
\$1 to \$1,000,000	\$1,000,001 to \$5,000,000	\$5,000,001 to unlimited

