VIRGINIA: A SCHEDULED WORKSESSION MEETING OF THE SURRY COUNTY BOARD OF SUPERVISORS HELD IN THE CONFERENCE ROOM OF THE SURRY COUNTY EMERGENCY OPERATION CENTER ON THURSDAY, AUGUST 15, 2024, 5 PM.

PRESENT: SUPERVISOR ROBERT ELLIOTT, JR.
SUPERVISOR BREYON PIERCE
SUPERVISOR WILLIAM (TIM) CALHOUN
SUPERVISOR AMY DREWRY
SUPERVISOR WALTER HARDY

ABSENT:

ALSO
PRESENT: MS. LOLA PERKINS, COUNTY ATTORNEY
MS. MELISSA ROLLINS, COUNTY ADMINISTRATOR
MR. DAVID HARRISON, DEPUTY COUNTY ADMINISTRATOR
MS. DOREATHA PIERCE, COUNTY ADMINISTRATION
MR. DELON BROWN, NETWORK ADMINISTRATOR, IT DIRECTOR
MR. JONATHAN JUDKINS, COMMISSIONER OF THE REVENUE
MS. ONIKE RUFFIN, TREASURER

Call to Order

Chairperson Elliott called the meeting to order.

Discussion Topics

1. Twice Per Year Tax Billing

Adjournment

There being no further business before the Board, Chairman Elliott made a motion that the Board adjourn their meeting until September 12, 2024, at 6 p.m. Supervisor Calhoun seconded the motion. All present voted affirmatively. ***(Approved)***

The meeting adjourned at 6:12 PM.

Twice a Year Tax Billing Discussion

Agenda

- Advantages
- Challenges
- What is needed
- Timeline
- Final tips & takeaways

Advantages

- Increased citizen satisfaction
  - in response to requests to reduce the burden of paying annual real estate taxes during the December holiday season, leading to higher citizen satisfaction
  - Twice a Year Billing can make it easier for residents to manage their payments, potentially reducing the number of delinquent accounts and improving overall collection rates.
- One time cash flow realized at the end of the fiscal year (next slide).
  - The Board will be able to foster dialogue as to the use of the one-time funds.
    - There is a cost associated with upgrading the Tax Billing Software
  - Additional revenue resulting from interest revenue on investment of these funds would be realized and could generate revenue for debt service payment, restoration of fund balance, other operational costs
- Citizens can still have the option to pre-pay taxes at once

Cash Flow Impact

POTENTIAL CASHFLOW IMPACT OF CHANGE TO TWICE A YEAR TAX COLLECTIONS (ESTIMATED ONLY)

	Estimated Tax Totals (Est for 1/1/24, +2% for 2025 & 2026)			Payment Due Dates						
	Assessment Date			Annual CY 24 Due	1st Half CY25 Due		2nd Half CY25 Due	1st Half CY26 Due		% of
	1/1/2024	1/1/2025	1/1/2026	12/1/2024	6/5/2025	FY25 Total	12/5/2025	6/5/2026	FY26 Total	Total
Real Estate	$ 8,350,000	$ 8,517,000	$ 8,687,340	$ 8,350,000	$ 4,258,500	$ 12,608,500	$ 4,258,500	$ 4,343,670	$ 8,602,170	31%
Public Service Corp	15,845,275	16,162,181	16,485,424	15,845,275	8,081,090	23,926,365	8,081,090	8,242,712	16,323,802	60%
Personal Property	2,346,000	2,392,920	2,440,778	2,346,000	1,196,460	3,542,460	1,196,460	1,220,389	2,416,849	9%
Totals				$ 26,541,275	$ 13,536,050	$ 40,077,325	$ 13,536,050	$ 13,806,771	$ 27,342,822	100%

One time cashflow

Without PP	$ 12,339,590

Potential Interest Income @ 5.4%

	Total Cash	Annual Int	Cents on tax rate
With PP	$ 13,536,050	$ 730,947	2.17
Without PP	12,339,590	666,338	1.98

Requirements

- Adoption of the Tax Rate (Could Mean Prior to the Budget Adoption)
- Public Hearing Required for an Ordinance to Implement Policy Change
- Tax Relief for the Elderly application will have to coincide with the new billing schedule
- May result in additional staff time hours/staff resources for Treasurer and Commissioner (can be creative to keep operations flowing while working on transition)
- Effective Communication of the change early to educate citizens on the change
- The implementation of a new tax system could take anywhere from 6 – 12 months. However, the twice a year billing could be done in the current tax system BAI/Bright. This would push transitioning to a new tax system into late FY 26. The cost of the tax system is estimated at $356K - $418K.

Final tips & takeaways

Decide whether to adopt an ordinance implementing twice a year tax billing.

A public Hearing is required.

Potential 2025 Reassessment Timeline

Currently with Real Estate Tax Bills due on December 5 Annually.

A 90-day Extension filed through March 31 to complete the Reassessment.

Dates	Milestone
August/September 2024	Reassessment Review Contract in Place Sales Study by Wingate
October 2024- February 2025	Review Sales, Site Visits, New Construction
January 2025	Board of Supervisors appoints Board of Equalization members, affirmed by Circuit Court Judge and sworn in by the Clerk of Circuit Court. (Only anyone new will need training this time. Training performed as soon TAX can accommodate.)
March 2025	Prepare and send notices of assessment to property owners
Mid-March 2025	Reassessment Assessor's Hearings
Mid/Late-March 2025	Final Value Reviews
End of March 2025	Reassessment Book completed and filed with Surry County's Clerk of Circuit Court
March/April 2025	Board of Equalization Organizational Meeting
April 2025	County advertises equalized tax rate
May 2025	Board of Supervisors Sets Tax Rate
May & June 2025	Board of Equalization Scheduled Hearings
June 2025	Board of Equalization Final Reviews
July 2025	Board of Equalization turns over assessment changes to Commissioner of the Revenue's Office.

The Board of Equalization can meet again if a taxpayer brings forward a request to have the property reviewed. However, most of the time most of those meetings occur prior to July 1 so that the Commissioner of the Revenue's Office may have all values updated for the Land Book. Consider again to have the term of the Members of the Board of Equalization expire August 31.

Potential 2025 Reassessment Timeline

Please see the chart below that would reflect a possible Real Estate Tax first half due June 5.

(Keeping in mind that the Reassessment also requires a 90-day Extension through March 31 to complete encompassing all sales from the current year and have the notices mailed to taxpayers and have the required taxpayer hearings, reviews, and finalizing the Reassessment.)

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End of March 2025	Reassessment Book completed and filed with Surry County's Clerk of Circuit Court
March/April 2025	Board of Equalization Organizational Meeting
March 2025	County advertises equalized and effective tax rate (final data would be needed from the Reassessment)
Early April 2025	Board of Supervisors Sets Tax Rate (This would also require the county tax rate to be finalized and the Treasurer to send out tax bills once Land Book is posted by the Commissioner of the Revenue.)
Early May 2025	Board of Supervisors Adopt Budget Treasurer Office Sends out tax billing for June 5th
May & June 2025	Board of Equalization Scheduled Hearings
June 2025	Board of Equalization Final Reviews
July 2025	Board of Equalization turns over assessment changes to Commissioner of the Revenue's Office. (Adjustments to assessments would be required after the Land Book is generated in this scenario)

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Tax Rates & Sales to Assessment Ratios

Year	Rate	Ratio	Reassessment
2005	0.77	95.40%	yes
2006	0.84	74.90%	no
2007	0.70	99.90%	yes
2008	0.70	98.80%	yes
2009	0.70	98.80%	yes
2010	0.73	100.00%	yes
2011	0.73	100.00%	no
2012	0.73	100.00%	no
2013	0.73	100.00%	no
2014	0.73	100.00%	no
2015	0.73	100.00%	no
2016	0.71	100.00%	yes
2017	0.71	100.00%	no
2018	0.71	100.00%	no
2019	0.71	98.90%	no
2020	0.71	99.00%	no
2021	0.77	95.10%	no
2022	0.72	100.00%	yes
2023	0.71	100.00%	yes
2024	0.71	97.44%	no

Currently the sales to assessment ratio from January through July 2024 is **88%** which is only a sample of the year so far but enough that shows where the trend is when it comes to sales.

This is the current situation once again that needs to be addressed potentially for January 1, 2025.