



Alternate Revenue Sources and Options

BOS Work Session

May 7, 2014



A project presented by the 2013-14
Fluvanna Leadership Development Class

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Potential Sources of Revenue for a Changing Economic Environment

*An Evaluation of Existing and Alternative
Sources to Bridge the Revenue Gap*

Acknowledgement



Reminder about Possible Revenue Changes

- **May not produce any additional revenue in FY15**
- **Implementation of or changes to some revenue sources may require:**
 - Referendum
 - State Legislature approval
 - Local ordinance changes
 - Public Hearings
 - Significant public communication and marketing efforts

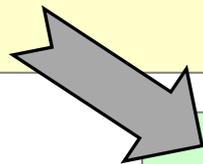


The Transformation

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In order to transform our Tax Base,
To have more available revenue,
To fund the things we value,
Without overburdening our residents...

93/7



70/30



We need...
Investments in Infrastructure,
To promote...
BUSINESS DEVELOPMENT,
To move...
toward a **70 / 30** Tax Base



The Transformation (cont.)

But we also need to assess all possible sources of revenue to see what combinations make most sense for Fluvanna

Investments

Taxes

Service Charges

Impact Fees or Cash Proffers

Permits and Fees

Special Assessments



Sources of Local Government Tax Revenue

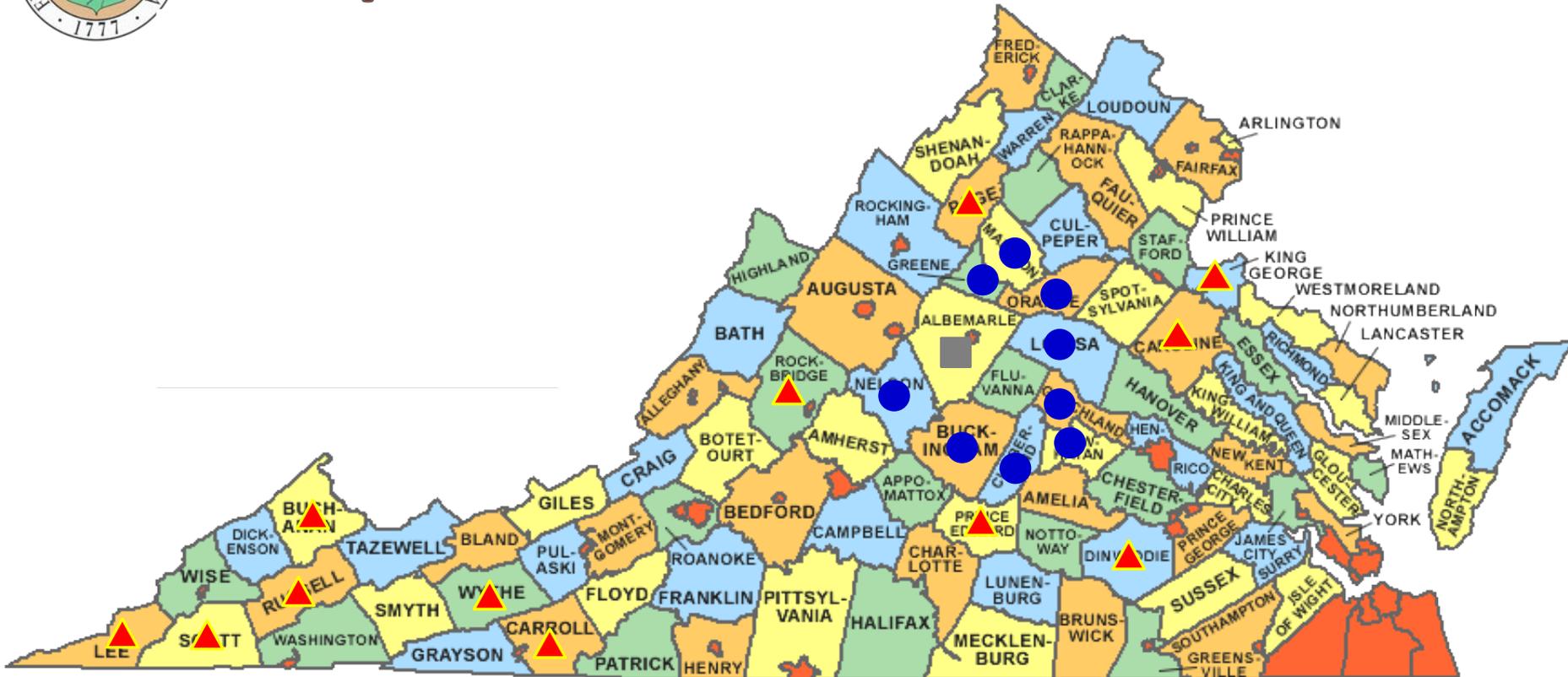
FY12 Taxes	Counties	Cities	Total	Amount (\$) Tax	% of Total
Real Property	95	39	134	\$8,851,404,442	62.35
Personal Property	95	39	134	\$1,566,129,029	11.03
Local Sales and Use	95	39	134	\$1,034,700,174	7.29
Business License	51	39	90	\$655,140,229	4.61
Restaurant Meals	45	39	84	\$412,772,269	2.91
Public Service Corporation Property	95	39	134	\$326,780,181	2.30
Consumer Utility	92	38	130	\$294,681,803	2.08
Machinery and Tools Property	81	35	116	\$200,055,830	1.41
Hotel and Motel Room	66	37	103	\$174,601,927	1.23
Motor Vehicle License	86	33	119	\$160,731,552	1.13
Recordation and Will	95	36	131	\$103,414,951	0.73
Bank Stock	58	38	96	\$82,193,677	0.58
Tobacco	2	31	33	\$64,333,612	0.45
Coal, Oil and Gas	7	1	8	\$57,596,788	0.41
Franchise License	41	9	50	\$19,486,007	0.14
Admission	3	16	19	\$18,962,146	0.13
Merchants' Capital	43	1	44	\$11,407,006	0.08
Other Local Taxes	48	18	66	\$63,044,731	0.44
Penalties and Interest				\$99,742,032	0.70

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Comparison Counties

2013
Comparisons



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Similar Size Counties (12)

- | | |
|-------------|---------------|
| Buchanan | Page |
| Caroline | Prince Edward |
| Carroll | Rockbridge |
| Dinwiddie | Russell |
| King George | Scott |
| Lee | Wythe |

Surrounding Counties (10)

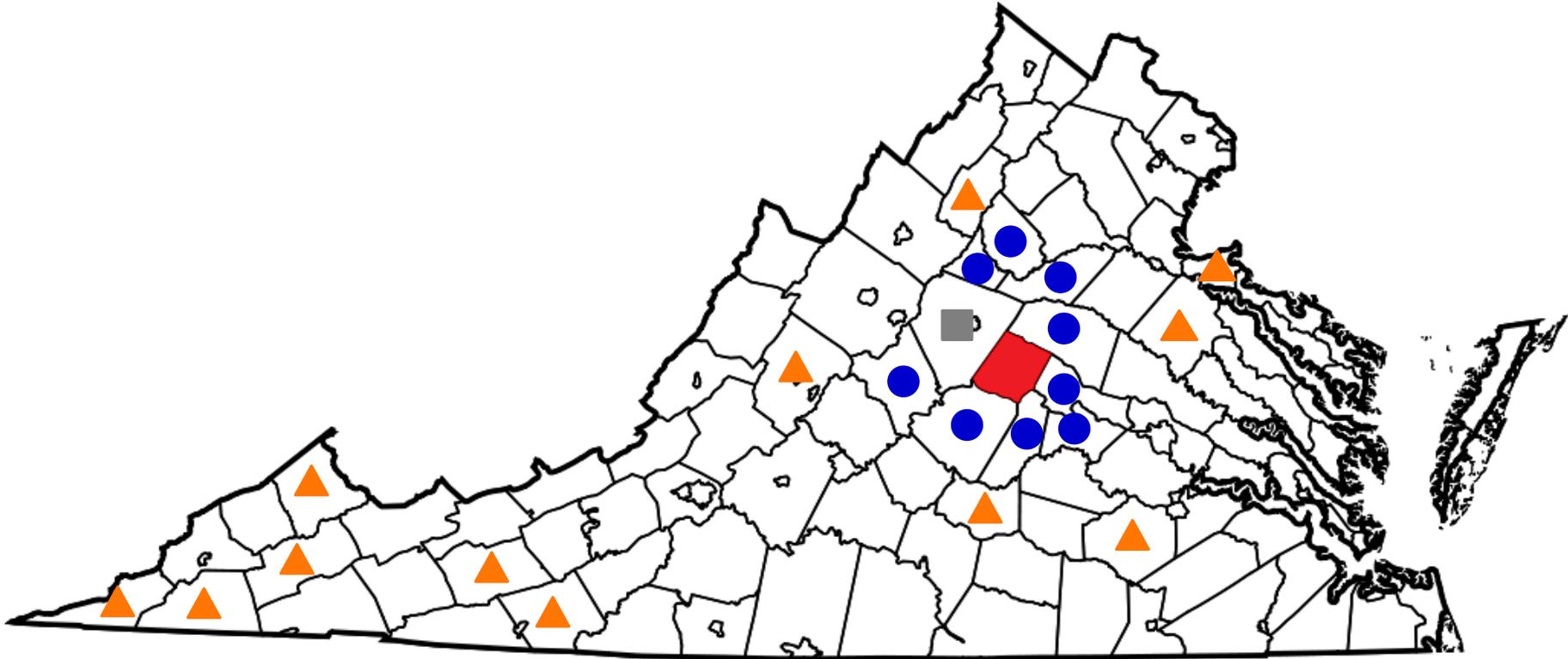
- | | |
|------------|---|
| Buckingham | Madison |
| Cumberland | Nelson |
| Goochland | Orange |
| Greene | Powhatan |
| Louisa | Albemarle  |

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Comparison Counties

2013
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Revenue Sources

Other than Real Estate and Personal Property



Miscellaneous Revenue Sources

Change
??

County	Merchant's Capital Tax	Meals Tax	Lodging Tax	Public Utilities Tax	Business License Fee	BPOL Tax	Revenue Recovery
Albemarle		4%	5%	Yes	Yes	Yes	Yes
Buckingham	\$1.00		2%	Yes			Yes
Charlottesville		4%	6%	Yes	Yes	Yes	
Cumberland				Yes		Yes	
Fluvanna				Yes			
Goochland			2%	Yes		Yes	Yes
Greene		4%	2%	Yes		Yes	Yes
Louisa	\$0.65	4%	2%	Yes			Yes
Madison	\$0.86	4%	5%	Yes			Yes
Nelson		4%	5%	Yes	Yes	Yes	Yes
Orange	\$0.40	4%	2%	Yes			Yes
Powhatan				Yes		Yes	Yes

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2013 Comparisons



Planning/Proffer Fees

Change
??

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County	Rezoning	SUP/CUP	Site Plan Review	Proffer Fees
Fluvanna	\$750 plus mailing costs	\$800 plus mailing costs	\$1,100	\$5,251 (proposed 2013) \$6,557 (proposed 2010)
Albemarle	\$2,500 (<50 acres) \$3,500 (>50 acres)	\$1,000	\$1,000	\$20,460.57 (SFD) \$13,913.18 (TH) \$14,497.77 (MF)
Louisa	\$1,000 plus \$10/acre	\$500	\$750 plus \$50/acre	\$4,362
Goochland	\$450 (agricultural); \$1,500 plus \$50/acre (residential, commercial, or industrial)	\$750 (\$4,500/wireless tower)	"Plan of Development Review": \$725 plus \$25/unit or lot (residential); \$725 plus \$25/acre (commercial)	\$14,292
Cumberland	\$550	\$550 (\$2,550/ wireless tower)	\$300	\$5,242
Greene	\$2,000 plus \$100/ acre	\$500 (\$1,500/wireless tower)	\$1,000 (preliminary) \$500 (final)	\$5,771

2013 Comparisons



Residential Building Permit Fees

Change
??

County	Finished	Basement or Unfinished	Electrical	Plumbing	Mechanical	State Levy Fee	TOTAL
Average	\$579	\$284	\$76	\$70	\$74	\$18	\$911
Cumberland	\$400		\$40	\$40	\$40	\$10	\$530
Buckingham	\$460		\$40	\$40	\$40	\$12	\$592
Greene	\$300		\$120	\$75	\$120	\$12	\$627
Madison	\$360	\$160	\$75	\$75	\$75	\$15	\$760
Fluvanna	\$360	\$120	\$120	\$106	\$90	\$16	\$812
Orange	\$300	\$300	\$100	\$100	\$100	\$18	\$918
Albemarle	\$980					\$20	\$1,000
Goochland	\$597	\$270	\$35	\$44	\$44	\$20	\$1,008
Louisa	\$600	\$400				\$18	\$1,018
Nelson	\$1,100					\$22	\$1,122
Powhatan	\$910	\$455	\$80	\$80	\$80	\$32	\$1,639

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The flowing permits are calculated based on 2,000 square feet home on a full unfinished basement, 2 full baths. Totals do not include any address

2013 Comparisons



Commercial Building Permit Fees

**No
Change**

County	Finished	Electrical	Plumbing	Mechanical	State Levy Fee	TOTAL
Average	\$1,182	\$170	\$103	\$170	\$31.40	~\$1,600
Buckingham	\$460	\$40	\$40	\$40	\$12	\$592
Cumberland	\$600	\$50	\$50	\$50	\$15	\$765
Greene	\$800	\$200	\$150	\$200	\$27	\$1,377
Orange	\$750	\$200	\$200	\$200	\$27	\$1,377
Madison	\$900	\$200	\$75	\$200	\$28	\$1,403
Albemarle	\$1,000	\$200	\$75	\$200	\$30	\$1,505
Fluvanna	\$1,300	\$300	\$130	\$300	\$41	\$2,071
Goochland	\$3,650				\$73	\$3,722
Louisa	Based on total cost of building.					
Nelson						TBD
Powhatan	Based on value of the contract.					

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The flowing permits are calculated based on a 5,000 square foot commercial building with, 2 handicap baths.
Totals do not include any address, erosion control, or other fees.

2013 Comparisons



Erosion & Sediment Control Fees

No
Change

County	Amount
Average	~\$118
Nelson	\$35 - \$450
Louisa	\$75
Cumberland	\$100
Goochland	\$100
Fluvanna	\$125
Madison	\$125
Albemarle	\$150
Green	\$150
Orange	TBD
Powhatan	TBD

2013 Comparisons



Other Taxes/Fees/Exemptions

No
Change

County	Machinery & Tools	Land Use Exemptions	Elderly/Disabled Exemptions	Motor Vehicle License Tax (Cars & Trucks) Flat Fee	Motor Vehicle License Tax (Motorcycles) Flat Fee)
Average	\$2.57			~\$31.00	\$18.04
Albemarle	\$4.28	Yes	Yes	\$38.50 - 43.50	\$26.50
Buckingham	\$2.90		Yes	\$25.00	\$20.00
Charlottesville	\$4.20		Yes	\$28.50 - \$38.50	\$8.50
Cumberland	\$3.75	Yes	Yes	\$23.00 - \$39.00	\$18.00
Fluvanna	\$2.00	Yes	Yes	\$33.00	\$18.00
Goochland	\$0.38 - 0.75	Yes	Yes	\$29.50 - 34.50	\$27.50
Greene	\$2.50	Yes	Yes	\$25.00	\$9.00
Louisa	\$1.90	Yes	Yes	\$20.00	\$10.00
Madison	\$1.67	Yes	Yes	\$30.00	\$15.00
Nelson	\$1.25	Yes	Yes	\$38.75	\$18.00
Orange	\$1.83	Yes	Yes	\$35.00	\$21.00
Powhatan	\$2.00	Yes	Yes	\$25.00	\$25.00

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2013 Comparisons



P&R Usage/Rental Fees

No
Change

- **BOS recently approved complete update of all P&R charges and rental fees**



Revenue Recovery

- **Virginia state code allows localities to create “revenue recovery systems”, but does not mandate it.**
 - Legal requirement in Virginia that all ambulance providers be paid directly by insurance carriers. No longer necessary to become a participating provider in order to receive payments directly from the insurance company.
- **Most surrounding counties do have revenue recovery in place.**
- **Many considerations and complicated issues for setting up a program.**
- **Potential revenue will be based on numerous factors like population numbers, call volume and insurance mix.**
 - Louisa County’s 8 year old program collects just under a million dollars a year.
 - Larger population and run twice as many calls as Fluvanna.



What Works Best and For What? *

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Revenue Category	Expediency	Efficiency	Equity	Administration	Political Acceptability
Taxes	Poor	Poor	Good	Good	Poor
General Obligation Bonds	Good	Poor	Good	Good	Poor
Revenue Bonds	Good	Poor	Good	Good	Poor
User Fees	Good	Good	Fair	Poor	Fair
Special Taxing Districts	Good	Good	Good	Fair	Good
Local Improvement Districts	Fair	Good	Good	Fair	Fair
Special Service Districts	Fair	Fair	Fair	Good	Fair
Tax Increment Financing	Fair	Good	Good	Good	Poor
Private Exactions (Proffers)	Fair	Fair	Fair	Fair	Fair

* 2014 FLDP Project Assessment



Staff Recommendations

2013 Comparisons

- **Develop financial analysis and plan to implement:**
 - BPOL Business License Fee
 - EMS Revenue Recovery
- **Perform financial analysis and investigate implementing:**
 - Meals Tax
- **Perform financial analysis and investigate changing various Planning fees:**
 - Rezoning, SUP, and Site Plan Reviews
 - Residential Building Permit Fees
- **Finalize Fluvanna County Proffer Guidance for BOS review**
- **Review significant differences in revenue collections by comparison counties for existing taxes, fees, interest, etc.**
- **Consider using some of the additional revenue to reduce the Personal Property Tax Rate (at least for businesses)**



Discussion...



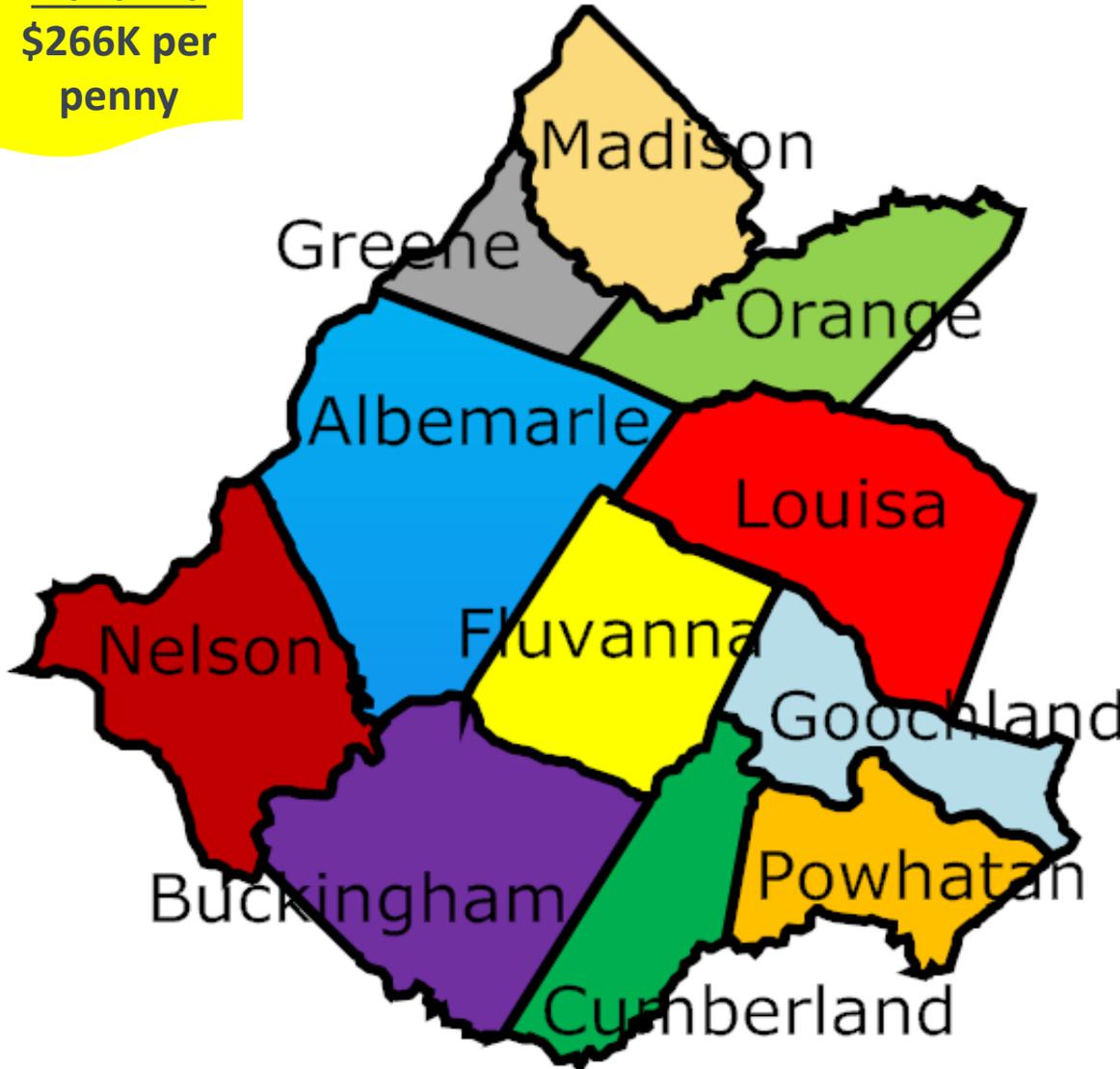
Merchant's Capital and BPOL

- A locality may impose either the merchants' capital tax or the business license tax, not both.
- Localities may impose local license taxes on businesses, trades, professions, occupations, and callings. Most business license taxes are based on "gross receipts", and localities have the option of taxing some classifications of business and not taxing others.
 - Business Categories - Retailers, Mail Order Firms, Wholesalers and Distributors, Financial Services, and Business Services
- Some localities also charge a fee for the issuance of a license and/or charge different tax rates based on the amount of the business' gross receipts or purchases.



Real Estate Tax Rate Comparison

Fluvanna
\$266K per
penny



Buckingham	\$0.44
Goochland	\$0.53
Nelson	\$0.60
Louisa	\$0.65
Madison	\$0.67
Cumberland	\$0.68
Greene	\$0.69
Orange	\$0.72
Albemarle	\$0.766
Fluvanna	\$0.795
Powhatan	\$0.90
Charlottesville	\$0.95

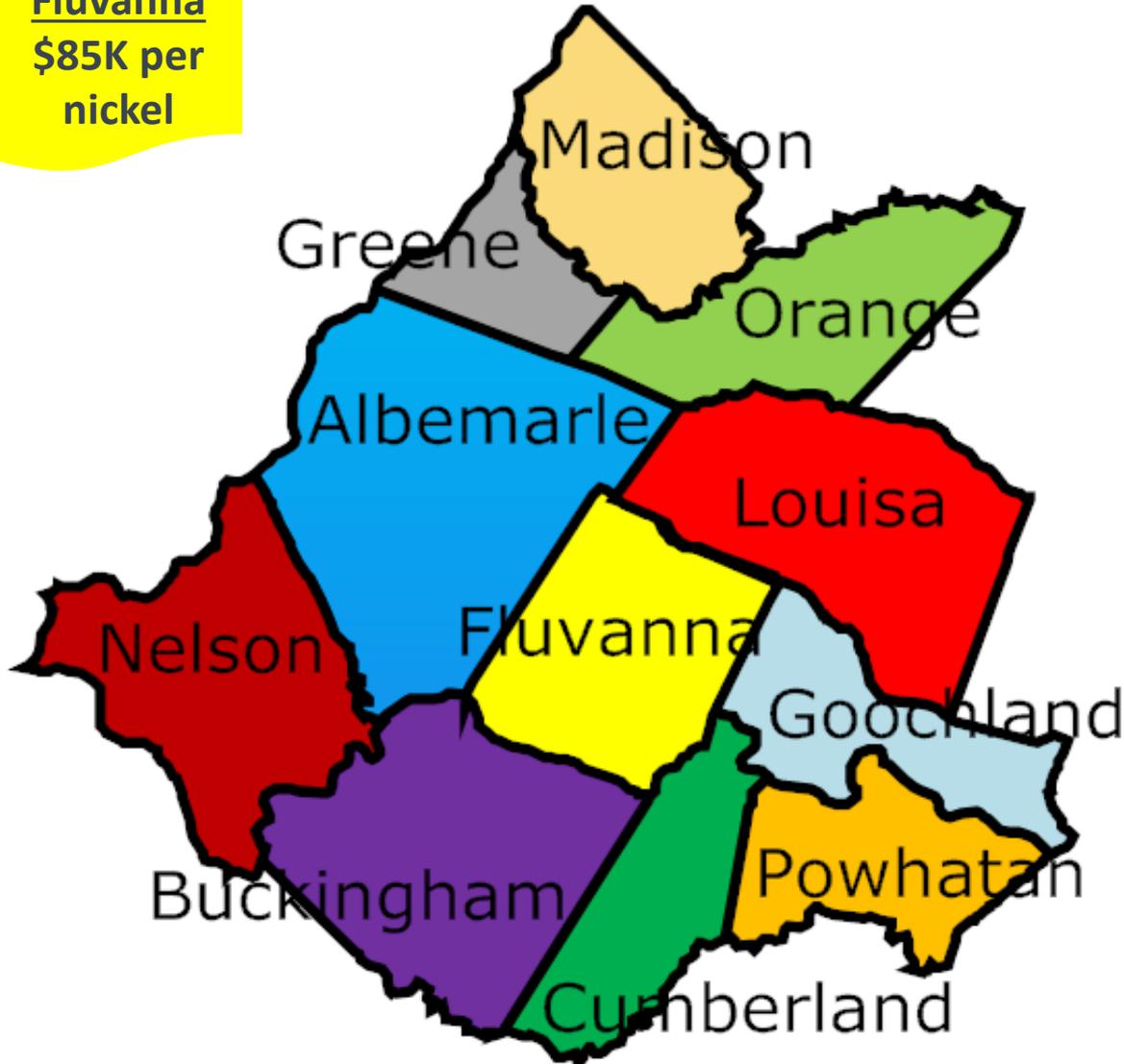
Per \$100 of value



Personal Property Tax Rate Comparison

Change ??

Fluvanna
\$85K per
nickel

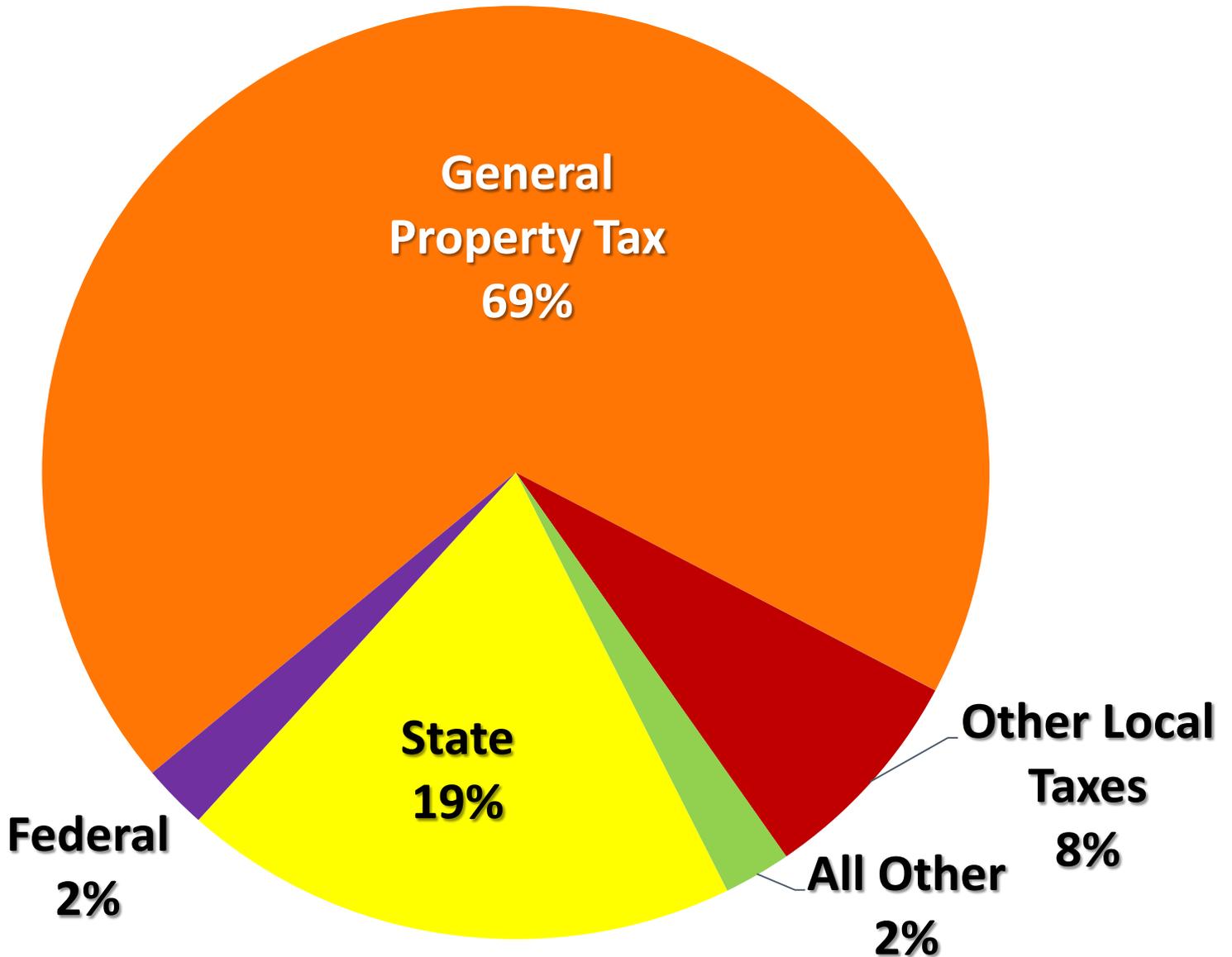


Louisa	\$1.90
Nelson	\$2.95
Madison	\$3.45
Powhatan	\$3.60
Orange	\$3.75
Goochland	\$4.00
Buckingham	\$4.05
Fluvanna	\$4.15
Charlottesville	\$4.20
Albemarle	\$4.28
Cumberland	\$4.50
Greene	\$5.00
Average	\$3.82

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FY13 General Fund Revenues



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