

The Town of
**Leesburg,
Virginia**

PRESENTED: February 28, 2023

ORDINANCE NO. 2023-O-004

ADOPTED: February 28, 2023

AN ORDINANCE: SETTING TAX RATES ON PERSONAL PROPERTY (SECTION 20-22), VEHICLE LICENSE FEE (SECTION 32-84), MOTOR VEHICLE TAX REDUCTION (SECTION 20-25), AND PERSONAL PROPERTY TAX RELIEF (SECTION 20-30) FOR TAX YEAR 2023, AND AMENDING LEESBURG TOWN CODE SECTION 20-30 AND APPENDIX B – FEE SCHEDULE

WHEREAS, on October 24, 2017, in Resolution No. 2017-158, the Town Council approved a Memorandum of Agreement (“MOA”) between the County of Loudoun (“County”), the Town of Leesburg (“Town”), and the Loudoun County Treasurer (“Treasurer”), to consolidate the billing and collecting of town and county taxes by the County on behalf of the Town; and

WHEREAS, pursuant to the terms of the MOA, the Town must adopt personal property tax rates to conform to the tax billing and collection schedule of the County; and

WHEREAS, the Council wishes to set the tax rates for personal property for tax year 2023; and

WHEREAS, the Loudoun County Commissioner of Revenue has set the percentage of market rate assessment for personally owned vehicles to 95% in order to adjust for the increase in the value of used vehicles for tax year 2023; and

WHEREAS, the personal property tax relief for tax year 2023 and the levied vehicle license fee must be affirmed pursuant to the terms of the MOA; and

WHEREAS, § 58.1-3506.1 *et seq.* of the Code of Virginia, as amended, authorizes the Town to establish a different tax rate for one motor vehicle owned and used primarily by anyone at least 65 years of age or anyone found to be permanently and totally disabled; and

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WHEREAS, as authorized by Virginia Code § 58.1-3506.1, section 20-25 of the Leesburg Town Code provides for such elderly and disabled tax relief and adopts the County ordinance governing such relief; and

WHEREAS, the Council wishes to make a clarifying amendment to Town Code section 20-30 and to include the personal property tax relief rate adopted annually pursuant to the Virginia Personal Property Tax Relief Act (Virginia Code § 58.1-3523 *et seq.*) and Town Code section 20-30 in Appendix B-Fee Schedule.

THEREFORE, ORDAINED, by the Council of the Town of Leesburg in Virginia as follows:

SECTION I. The tax rate for personal taxable property for tax year 2023 shall be set at:

- (a) Aircraft - **\$0.001** per \$100.00 of assessed value.
- (b) Motor vehicles - **\$1.00** per \$100.00 of assessed value.
- (c) Motor vehicles of eligible elderly and disabled (Town Code Sec. 20-25) - **\$0.50** per \$100.00 of assessed value.
- (d) Tangible personal property (excluding public service corporations) - **\$1.00** per \$100.00 of assessed value.
- (e) Bank capital - **\$0.80** per \$100.00 of the net capital of banks located in the town.

SECTION II. The **personal property tax relief** rate for tax year 2023 under the provisions of the Virginia Personal Property Tax Relief Act (Virginia Code §§ 58.1-3523 *et seq.*) and Leesburg Town Code sec. 20-30, shall be thirty-five percent (35%), which shall be applied solely to that portion of the value of each qualifying vehicle that is not in excess of \$20,000.

SECTION III. The **vehicle license fee** for tax year 2022 shall remain unchanged at **\$25.00** per vehicle.

SECTION IV. Town Code Section 20-30 is hereby amended to read as follows:

Sec. 20-30. Personal property tax relief.

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- (a) The town council shall establish the tangible personal property tax rate for the general class of tangible personal property, which rate shall also be applied to that portion of the value of each qualifying vehicle that is in excess of \$20,000.00;
- (b) After establishing the tangible personal property tax rate for the general class of tangible personal property, the town council **shall establish** a reduced personal property tax rate **or rates**, ~~of 39 percent~~ **which** shall be applied solely to that portion of the value of each qualifying vehicle that is not in excess of \$20,000.00. Such reduced tax rate or rates shall be set at an effective tax rate or rates such that: (i) the revenue to be received from such reduced rate or rates on that portion of the value of qualifying vehicles not in excess of \$20,000.00; plus (ii) the revenue to be received on that portion of the value of the qualifying vehicle in excess of \$20,000.00; plus (iii) the Commonwealth's reimbursement is approximately equal to the total revenue that would have been received by the town from the tangible personal property tax had the tax rate for general class of personal property been applied to 100 percent of the value of all qualifying vehicles.

State Law reference – Personal Property Tax Relief – Code of Virginia § 58.1-3523 et. seq.

SECTION V. Appendix B – Fee Schedule of the Town Code of Leesburg, Virginia is hereby amended to insert the following:

Sec. 20-30. Personal Property Tax Relief.

<u>Classification of Property</u>	<u>Relief Percentage</u>
<u>Personal property tax relief rate to be applied solely to that portion of the value of each qualifying vehicle that is not in excess of \$20,000.00.</u>	<u>35%</u>

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SECTION VI. All prior ordinances in conflict herewith are hereby repealed.

SECTION VII. Severability. If a court of competent jurisdiction declares any provision of this ordinance invalid, the decision shall not affect the validity of the ordinance as a whole or any remaining provisions of the Leesburg Town Code.

SECTION VIII. This ordinance shall become effective upon adoption.

PASSED this 28th day of February 2023.



Kelly Burk, Mayor
Town of Leesburg

ATTEST:



Clerk of Council