

**VIRGINIA:**

A work session of the Lancaster County Board of Supervisors was held in the Administrative Building Board/Commission Meeting Room of said county on Thursday, July 10, 2014.

Members Present:            B. Wally Beauchamp, Chair  
                                      Jason D. Bellows, Vice Chair  
                                      F. W. Jenkins, Jr., Board Member  
                                      Ernest W. Palin, Jr., Board Member  
                                      William R. Lee, Board Member

Staff Present:                Frank A. Pleva, County Administrator  
                                      Crystal Whay, Building/Land Use Secretary

Mr. Beauchamp called the work session to order at 2:00 p.m.

**CY 2014 Lancaster County Personal Property Tax Levy on Boats**

Mr. Pleva stated that the Board of Supervisors had discussed whether or not anything could be done for this year on boat taxes. He stated that after speaking to the County Treasurer, Bonnie Haynie and the Commissioner of the Revenue, Sonny Thomas, he found that they would need to know of any possible changes no later than August 1, 2014, for tax billing purposes.

Mr. Pleva stated that the Board of Supervisors had discussed appointments of a few citizens to serve on a committee with the board members.

Mr. Pleva stated that the Board had been given some more information from Mr. Thomas concerning assessments of boats and how much revenue the boat taxes provided.

Mr. Pleva stated that he had also handed out a 2002 boat tax study for the Board's review.

Mr. Beauchamp asked Mr. Thomas to speak on the subject.

Mr. Thomas stated that it was a very difficult job to compare one locality to another when it comes to tax rates. He stated that before the early 1970's, real estate and personal property taxes were assessed at less than market value. He stated that the code changed and then localities were required to assess taxes on real estate at fair market value. He stated that Lancaster County used ratios for personal property tax assessment until 1998. He stated that the Board of Supervisors approved using an effective rate of \$1.52 around that time, but many localities did not change from using ratios for personal property.

Mr. Thomas referred to the table he had created with seven specific boats and stated that the findings show that Lancaster County is not the highest taxing authority in the area, but is higher than the two closest counties of Northumberland and Middlesex. He added that Northumberland never depreciates their boat values on documented boats.

Mr. Bellows asked about the effective rates.

Mr. Thomas replied that the effective rate for Lancaster was \$1.52, \$1.27 for Middlesex and .80 cents for Northumberland for the seven specific boats shown in the table.

Mr. Lee asked about Northumberland's policy on depreciation of boats.

Mr. Thomas replied there is no depreciation on documented boats.

Mr. Bellows asked for clarification of documented boats.

Mr. Thomas replied that documented boats are registered with the Coast Guard as opposed to the Department of Game and Inland Fisheries.

Mr. Beauchamp stated that documented boats are not numbered by the Department of Game and Inland Fisheries. He stated that documented boats have hailing points and the serial number must be embedded in the boat structure.

Mr. Thomas stated that registered boats, under 5 tons, get taxed on a more traditional basis, for example where they are located on January 1 of a calendar year. He stated that documented boats or boats over 5 tons, are taxed based on where the boat is normally kept, regardless of the hailing point. He stated that if the boat is out of Virginia waters for more than 183 days, they do not pay any tax in Virginia.

Mr. Beauchamp stated that Mr. Thomas had confirmed that Lancaster County's boat tax is not the highest on the Chesapeake Bay. He stated that it is an issue that needs to be looked at if it would benefit our marine industries and create jobs. He stated that he did not see something changing in 3 weeks and that they would need more information.

Mr. Beauchamp asked how many citizens should be on the boat tax committee. He stated that the Board had already agreed that all members, along with Mr. Thomas, would serve.

Mr. Bellows replied that he thought they should stick close to the 3 citizens that they had previously discussed.

Mr. Lee stated that he would not want to see less than 3.

Mr. Palin stated that he would agree with 3 to 5 members.

Mr. Beauchamp stated that he would like to nominate Bruce Sanders, Bill Pennell and Clay Holcomb to the boat tax committee. He asked if there were any other nominations.

Mr. Jenkins suggested that a finance person be nominated to the committee. He stated that he had Jack Larson in mind, but had not spoken to him concerning the committee yet.

Mr. Beauchamp suggested that Mr. Jenkins nominate Mr. Larson contingent on his agreement.

Mr. Jenkins nominated Jack Larson to the boat tax committee.

There were no other nominations.

Mr. Beauchamp stated that the nominations were closed. He asked for approval of the 4 nominations to the boat tax committee, contingent on Mr. Larson's agreement.

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|-------|----------------------|-----|
| VOTE: | B. Wally Beauchamp   | Aye |
|       | Jason D. Bellows     | Aye |
|       | F. W. Jenkins, Jr.   | Aye |
|       | Ernest W. Palin, Jr. | Aye |
|       | William R. Lee       | Aye |

Mr. Beauchamp stated that the Board needed to consider setting another meeting.

Mr. Thomas stated that he had a suggestion for the Board and the community. He referred to a letter to the editor in the Rappahannock Record and stated that the information provided was incorrect. He stated that there was a lot of misinformation, especially on outdated websites. He asked that all questions concerning boats and taxes be directed to him.

Mr. Beauchamp stated that he appreciated Mr. Thomas' comments and they had to have accurate information.

There was a consensus to call the nominees and set the meeting date later.

### **ADJOURNMENT**

Mr. Lee made a motion to adjourn.

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| VOTE: | B. Wally Beauchamp | Aye |
|       | Jason D. Bellows   | Aye |

F. W. Jenkins, Jr.                      Aye

Ernest W. Palin, Jr.                    Aye

William R. Lee                            Aye