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District 1 Updates

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Residents and Homeowner Associations are encouraged to share these updates within their communities. Comments and questions are always welcome.

Capital Improvement Plan

Neil Morgan presented the initial draft of the County's Capital Improvement Program in late December to the Board of Supervisors. This document lays out the investment strategy for the County over the next 5 years. It covers all major departments within the County, as well as the County's contribution to the School Division budget. The budget is approximately 170 M\$ over a 5 year period, or roughly 35 M\$ per year.

I highlighted two areas of the proposed budget that should receive additional funding,

- A senior center to be added to District 1, proposing a store front center in the Big Lots shopping plaza on Mooretown Rd.
- Additional funding for Queens Lake Dam and creek restoration projects.

York County 2024 Budget Presentation

The County Administrator Neil Morgan briefed the Board of Supervisors in Mid-January on the budget process. This begins with an offsite retreat in late January to spend a full day understanding the budget, and changes proposed.

Tax revenue comes from multiple sources, however 96% of all revenue is derived from 3 sources:

| | |
|--------------------------|-----|
| Property Tax assessment: | 62% |
| Personal Property Tax: | 24% |
| State Aid: | 9% |

I'll examine the first two categories, and review the recommendations that I made at the January 17th BOS meeting.

Property Tax Assessment

How are Real Estate Taxes Determined?

- The County maintains a Property Information Search which lists information about all real property within the County. Property Sales Information are updated monthly, and new property values are continuously assigned when new permits are approved.
- Appraisers continually review sales activity in neighborhoods and use those transactions as guidelines to establish assessed value.
- The County's real estate tax rate is \$0.78 per \$100.
- Assessment values increased on average 8.5% Although the tax rate was dropped from \$0.795 to \$0.78 in 2022, the average tax increase for residents in York Co. was 6.4%

The result: Over 4.8 M\$ of additional tax collected in 2022 as a result of the increased property assessment values.

We are in for an even larger increase in 2024 once the new assessment values are determined unless there is a reduction in the property tax rate.

Personal Property Tax Assessment (Vehicle Tax)

What are Personal Property Taxes?

- Personal Property Taxes are taxes on tangible, personal property in York County.
- The taxes are due semi-annually on June 25th and December 5th.
- The current tax rate is \$4 per \$100 of assessed value.

Examples of Personal Property:

- Cars
- Motor homes
- Motorcycles
- Utility trailers
- Boat trailers
- Boats
- Trucks

How are Assessments Determined?

- The tax rate is set annually by the Board in the month of May, however assessment values are not prepared until June.
- Current rate is set at \$4 per \$100 on the assessed value of the vehicle.
- Vehicle assessments are determined from the NADA Official Used Car Guide by J.D. Power. Vehicles are assessed using 100% of the "clean loan value" listed in the guide for the specific year, make and model.
- Each County and City in the region calculates differently, however, York Co. is the only County to tax on 100% of the assessed value. Most of the surrounding municipalities tax on 75% of the assessed value.

The result: Over 5.1 M\$ of additional tax collected in 2022 as a result of the increased Used Car Value based upon the 2022 Assessment year. No reduction in the overall tax rate applied, and no consideration of a lower percentage of assessed value as is the case in all of our surrounding municipalities.

Currently, there are no provisions in the Budget Presentation to make a change in calculations.

Recommendations made to the Board of Supervisors in December 2022 and repeated in January 2023:

Property Tax:

- Lower the current tax rate from \$0.78 to \$0.765
- This offsets the budget surplus currently being accrued of 1.7 M\$

Personal Property Tax:

- Provide a 2 M\$ rebate on the June 2023 invoices to offset the 5.1 M\$ surplus collected in 2022.
- 3.5 M\$ rebate was applied in December 2022, but did not go far enough to offset the budget surplus.
- A reduction from \$4 per \$100 of vehicle assessed value to \$3.75 per \$100
- This decrease matches the 7% increase in vehicle values that is still in place today.

