



FY 2019 Recommended Budget Budget Question

Board Question #: 76

BUDGET QUESTION: What schedules do other localities have for presenting/adopting their budgets? Our schedule seems earlier than all others. Why?

RESPONSE: Attachment A details the budget timelines for several other localities. While Spotsylvania did adopt their FY 2019 Budget and CY 2018 tax rates earlier than most on this report, Hanover County adopted their budget and tax rate one day earlier than Spotsylvania.

There are several factors involved in establishing a budget timeline, including:

- State revenue projections are a key factor in the development of a locality's budget, accounting for almost 50% of Spotsylvania's school revenues in a fiscal year. The Virginia Department of Education does not provide the Schools with initial revenue projections for the upcoming budget until mid-December based on the Governor's budget proposal.
- Because transparency is a priority in Spotsylvania and because a significant amount of interest in County finances is generated by the citizens throughout the annual budget process, both County and Schools staff spend a significant amount of time creating detailed recommended budget documents. Additionally, time is built into the schedule for multiple budget and CIP work sessions.
- The Schools Superintendent must present a recommended budget to the School Board and after their review; they approve a School Board Proposed Budget, which they then present to the County Board of Supervisors.
- The State mandates when public hearings must be held for tax rates and budgets and every other year, when there is a re-assessment of real estate values, the State Code mandates additional time for ads to run ahead of the required public hearing.
- The State mandates that the County adopt a budget for education purposes by May 15th or within 30 days of the receipt by the County of the estimate of State funds following final adjournment of the General Assembly, whichever shall later occur.
- While June 30th is the last date by which a Board can adopt the next year's budget and set tax rates for the ensuing fiscal year, from the time a budget is adopted, it takes several weeks to establish the budget within the County's financial system for use by all departments.
- Timeline for printing tax bills.
 - From the time the tax rates are set, the Treasurer and the Commissioner need three weeks to finalize the assessment books, develop the bills and get them to the printer for distribution.
 - Spotsylvania Tax bills are due on June 5th and December 5th.
 - While the State Code only mandates that the bills are mailed 14 days in advance of the due date, the Treasurer mails bills 30 days in advance, giving citizens additional time to review their bills and prepare to make payments. The Treasurer has provided a memo (attached) explaining why it is his preference that the practice of mailing bills 30 days in advance of the due date continue.

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- Mailing bills 30 days in advance of the due date is a requirement for the Treasurer's Office to maintain accreditation by the Treasurer's Association of Virginia and is a practice that the Treasurer believes is appropriate for and appreciated by the citizens of Spotsylvania County.
- In order to meet the 30 day period, the tax rates must be set by mid-April to give the Treasurer and Commissioner the time they need to finalize assessment books, prepare the bills, post prepayments, apply license fees, and make necessary transfers, prior to mailing bills. For the first half of FY 2018, they processed 98,986 Personal Property bills and 31,634 Real Estate bills for mailing. They also processed 29,969 Real Estate bills to mortgage companies for payment.

Attachment A shows the budget work sessions that are held in each of the localities with Spotsylvania's timeline highlighted and used as the main reference point. The localities are presented in order of their respective budget adoption dates, with the earliest adoption (Hanover) shown on the left and working to the latest adoption (Fredericksburg) on the right. Because each locality has a different timeline for when certain work sessions are held, other locality dates may not be in sequential order.

All of the counties on the attachment set tax rates on a calendar year basis. The City of Fredericksburg sets tax rates on a fiscal year basis. Some localities have chosen various due dates for their Real Estate and Personal Property bills. Because Spotsylvania's fiscal year runs from July 1 through June 30, the first half billing (June 5th) falls in one fiscal year and the second half billing (December 5th) falls in another fiscal year.

For FY 2019, the Board adopted the tax rates on April 12th. The Commissioner and the Treasurer spent several weeks finalizing the books and developing the bills and sent the file to the printer on April 24th. The Treasurer received a proof on April 26th and was able to give authorization to print and distribute the bills on April 27th. The printer took several days to print and stuff the bills and they mailed the bills on May 3rd, giving citizens 30 days before payments are due on June 5th.

Locality Budget Timelines and Tax Bill Due Dates

Attachment A

	Hanover	Spotsylvania	Stafford	Henrico	Prince William	Fairfax	Caroline	Fredericksburg
Recommended Budget Presented	2/14/2018	2/13/2018	3/6/2018	3/13/2018	2/20/2018	2/20/2018	3/13/2018	3/13/2018
Budget Work Session - School Board presents to BOS		2/15/2018			4/3/2018*	4/10/2018*	2/13/2018*	
Budget Work Session	2/21/2018	2/20/2018	3/13/2018	3/19/2018	2/24/2018*			3/27/2018
Budget Work Session		2/27/2018		3/20/2018	3/6/2018			
Budget Work Session - Joint with Schools		3/13/2018	3/20/2018	3/21/2018		2/27/2018*		
Budget Work Session		3/27/2018	3/27/2018	3/22/2018	3/13/2018			4/10/2018
Public Hearing	4/4/2018	3/29/2018	4/3/2018	4/10/2018	4/10/2018	4/10 – 4/12/2018	3/27/2018	4/17/2018
Budget Work Session		4/3/2018		4/16/2018	4/17/2018	4/24/2018	4/10/2018 (Determine tax rates)	4/24/2018
Budget Work Session		4/10/2018	4/24/2018 (Determine tax rates) ¹					
Budget Work Session - Adopt	4/11/2018	4/12/2018	5/2/2018 (Adopt budget) ¹	4/24/2018	4/24/2018	5/1/2018	5/8/2018	5/8/2018
Calendar year (CY) or Fiscal year (FY)rate	CY	CY	CY	CY	CY	CY	CY	FY
RE Bills Due	6/5 & 10/5	6/5 & 12/5	6/5 & 12/5	6/5 & 12/5	7/15 & 12/5	7/28 & 12/5	6/5 & 12/5	11/15 & 5/15
PP Bills Due	2/5	6/5 & 12/5	6/5 & 12/5	6/5 & 12/5	10/5	2/15 & 10/5	6/5 & 12/5	5/15 & 11/15

* Indicates a date that is not in sequential order

¹ While Stafford County's FY 2019 Budget Calendar had the Budget and Tax Rate adoption scheduled for April 17th, advertisement requirements forced them to push the adopted dates out past April 17th. Stafford's Budget Manager reports that Stafford typically adopts its budget and tax rate the second meeting in April.

County of Spotsylvania



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Founded 1721

Memo

Date May 23rd 2018

Subject: Mailing Tax Bills

To: Finance

From: Treasurer's Office

A handwritten signature in black ink, appearing to be 'L. Pritchett', is written over the 'From:' line.

In reference to mailing the tax bills, the Treasurer's Office policy is to mail the bills 30 days prior to the due date to allow the tax payer ample time to pay their taxes. This policy is a requirement for The Treasurer's Office to maintain The Office of Accreditation received through The Treasurer' Association of Virginia. Completion of this criteria for this program is monitored by the University of Virginia and the State Compensation Board. As Treasurer I would like to maintain The Office Accreditation. Although the state code states the locality has to allow a fourteen day notice to pay the tax bill, I prefer the thirty day notice.

Even with mailing the bills 30 days in advance, the Treasurer's Office receives calls from taxpayers complaining that thirty days is not sufficient notice to pay the tax bill and the taxpayers would like a longer period of time to pay. If we do not allow at least thirty days to pay, the taxpayer will not be happy, it could create additional delinquent accounts and it could also result in additional penalty for late payment.

The tax rates needs to be set by mid-April to allow time to process the tax bill. The Treasurer's office can't complete their processes until the Commissioner of Revenue has completed their processes and produce the books. The Commissioner of the Revenue can provide the time that they need but generally past history shows that they need at minimum a week. Once we get the book, the Treasurer's Office needs at minimum a week to post the local licenses fee, post pre-payments and any transfers. The printer needs generally a week to generate a proof, process the addresses through the US Mail software for address changes and to print and mail the tax bills.

My preference is to continue mailing the bills at least thirty days prior to the due date to allow the taxpayer more time to make their tax payment and to allow our office to maintain our accreditation.