

# VIRGINIA ACTS OF ASSEMBLY -- 2014 SESSION

## CHAPTER 29

*An Act to create a special school tax district in King William County and to govern allocation of tax revenue for schools in King William County and the Town of West Point.*

[H 534]

Approved February 27, 2014

**Be it enacted by the General Assembly of Virginia:**

**1.** § 1. *There is hereby established a special tax district to pay all or any portion of the County of King William (the County) expenditures for operating the County school division beginning July 1, 2014. The boundary of the tax district shall be the same as the geographical area of the county school division and shall exclude the area of the Town of West Point (the Town). The appropriation of funds for the County's share of expenditures for the County school division shall be governed by this act, and the provisions of §§ 22.1-113 and 22.1-114 of the Code of Virginia shall not be applicable. The special tax district shall remain in effect unless the Town shall cease to operate a separate school division.*

§ 2. *The King William Board of Supervisors (the Board) may levy and collect taxes upon any taxable property in such special tax district, including, but not limited to, real estate, mineral lands, tangible personal property, merchants' capital, and machinery and tools, and may appropriate to the County school division such property taxes, including any penalties and interest thereon and any fund balance from the preceding fiscal year consisting of such taxes, penalties, and interest. The Town shall pay for its share of expenditures to operate the Town school division from Town property taxes and other local, state, and federal revenues received by the Town. All taxes levied and collected by the County, other than those levied and collected for the support of the County school division in the special tax district, shall be uniform in all districts in the County, except as otherwise provided for by law.*

§ 3. *The Board may also appropriate to the County school division all or any portion of the revenue derived from (i) those local or state taxes that are collected in part within the Town but are allocated between the County and the Town by state law or (ii) those nonproperty taxes that the County collects exclusively from sources outside the Town.*

*Such taxes include, but shall not be limited to, (i) the local sales and use tax authorized by §§ 58.1-605 and 58.1-606 of the Code of Virginia, (ii) the motor vehicle license tax authorized by § 46.2-752 of the Code of Virginia, (iii) wine taxes authorized by § 4.1-235 of the Code of Virginia, (iv) the net profits from the Alcoholic Beverage Control system authorized by § 4.1-117 of the Code of Virginia, (v) communication services sales taxes authorized by § 58.1-648 of the Code of Virginia, (vi) manufactured home titling taxes authorized by § 58.1-2402 of the Code of Virginia, (vii) automobile rental taxes authorized by § 58.1-2402 of the Code of Virginia, (viii) rolling stock taxes authorized by § 58.1-2652 of the Code of Virginia, (ix) bank net capital taxes authorized by § 58.1-1210 of the Code of Virginia, (x) business license taxes authorized by § 58.1-3703 of the Code of Virginia, (xi) food and beverage taxes authorized by § 58.1-3833 of the Code of Virginia, and (xii) interest or other investment earnings derived from the revenues specified in § 2 and this section, which investment earnings shall be separately accounted for by the County.*

§ 4. *The Board may also appropriate to the County school division all or any portion of the state or local recordation taxes received by the County, as authorized by §§ 58.1-801 and 58.1-3800 of the Code of Virginia, provided that the County pays to the Town a pro rata share of such recordation taxes derived from real estate transactions that occur within the Town.*

*The pro rata share shall be determined by multiplying the recordation taxes collected within the Town by a fraction that equals the total recordation taxes appropriated to the County school division divided by the total recordation taxes derived by the County from real estate transactions that occur outside the Town. The Clerk of the Circuit Court for the County shall compile and furnish the necessary information to the governing body of the County to enable it to comply with this provision, and the County shall promptly provide a copy to the Town. The Board shall pay such sum to the Town no later than 45 days after receipt of such taxes by the County Treasurer from the clerk of the circuit court.*

§ 5. *The Board may also appropriate to the County school division all or any portion of the state payments to reimburse the County for personal property taxes pursuant to the Personal Property Tax Relief Act (§ 58.1-3523 et seq. of the Code of Virginia) if the County pays to the Town a pro rata share of these state payments received by the County that are attributable to qualifying vehicles assessed for taxation within the Town. The pro rata share shall be determined by multiplying the state reimbursement payments received by the County based on qualifying vehicles within the Town by a fraction that equals the total state reimbursement payments appropriated to the County school division divided by the total state reimbursement payments received by the County from qualifying vehicles assessed for taxation outside the Town. The Board shall pay such sum to the Town Treasurer no later than 45 days after*

receipt of such payments by the County Treasurer from the Commonwealth. If the Town issues tangible personal property tax bills for qualifying vehicles within the Town, in addition to any tangible personal property tax bills issued by the County for such vehicles, the amounts to be paid to the Town Treasurer shall be shown as a deduction on the face of the Town's tangible personal property tax bills for qualifying vehicles in the Town, which amounts are to be paid by the Commonwealth in accordance with state law. Nothing in this section shall be construed to alter the method or amount of the Commonwealth's obligations to King William County or the Town of West Point pursuant to the Personal Property Tax Relief Act.

§ 6. If the Board appropriates to the County school division any other taxes, fees, or other sources of revenues that are collected within both the County and the Town or are attributable to persons, property, transactions, or activities within both the County and the Town, the County shall pay to the Town a sum calculated as follows: the total amount of such other revenues appropriated to the County school division shall be multiplied by a fraction equal to the total taxable property assessments in the Town divided by the total taxable property assessments in the County as a whole, including the Town. The revenues subject to this requirement would include, for example, a tax or fee collected by the County in both the County and the Town, but would exclude, for example, a gift to the County or a state grant for school construction distributed to the County on the basis of school-age population in the County excluding the Town. The Board shall pay such sum to the Town no later than 45 days after such revenues have been transferred to the County school division.

§ 7. In the event of a dispute regarding the interpretation or application of this act, the County and the Town shall attempt to amicably resolve the dispute. The County and the Town may jointly submit to voluntary mediation. If the dispute is not resolved by agreement or mediation, the County and the Town shall submit to binding arbitration conducted in accordance with state law. The arbitration panel shall consist of three members; the Board and the Council shall each, within five business days, select an arbiter, who shall not be a member of the Board or the Council, but who shall be knowledgeable in local government matters and qualified or trained as an arbiter in accordance with state law and commonly accepted ethical standards for arbiters. The two arbiters so selected shall jointly select a third arbiter within five business days of being selected; if they are unable to agree on a third arbiter, one shall be appointed by the King William Circuit Court. The County and the Town shall share equally in the costs of any mediation or arbitration. Each party shall be responsible for its own legal fees. The decision of a majority of the arbitration panel shall be binding on the County and the Town.

Legal action may be initiated by either party only to enforce a decision of the arbiters or to challenge a decision of the arbiters as unlawful or contrary to the law and plainly wrong. The timelines for action stated in this section may be extended by agreement of the Board and the Council.

**2. That an emergency exists and this act is in force from its passage.**