

## ORDINANCE NO. 2023-06

ORDINANCE NO. 2023-06 LOWERS THE TAX RATE FOR PERSONAL PROPERTY TAX, PUBLIC SERVICE CORPORATIONS AND MACHINERY & TOOLS TAX FROM .77 TO .70 PER \$100 OF ASSESSED VALUE, AND ESTABLISHES A NEW CLASS OF PERSONAL PROPERTY KNOWN AS "DATA CENTER" WITH A TAX RATE OF TEN CENTS (\$0.10) ON EACH ONE HUNDRED DOLLARS (\$100.00) OF ASSESSED VALUATION; THESE CHANGES ARE RETROACTIVE TO JANUARY 1, 2023 FOR TAX YEAR 2023 AND WILL APPLY TO ALL SUBSEQUENT TAX YEARS. ORDINANCE NO. 2023-06 INCREASES THE CIGARETTE TAX FROM TWENTY-TWO CENTS (\$.22) TO FORTY-FOUR CENTS (\$.44) FOR EACH TWENTY (20) CIGARETTES OR FRACTIONAL PART THEREOF EFFECTIVE JULY 1, 2023. ORDINANCE NO. 2023-06 INCREASES THE SALARIES OF THE MAYOR FROM \$9,000 TO \$ 10,272 ANNUALLY, AND THE VICE-MAYOR AND OTHER MEMBERS OF COUNCIL FROM \$7,500 TO \$ 8,568 ANNUALLY, EFFECTIVE JULY 1, 2023. ORDINANCE NO. 2023-06 INCREASES THE CONSUMER UTILITY TAX ON GAS FROM TEN CENTS (.10) TO FIFTY CENTS (.50) CENTS PER CCF, AND INCREASES THE MONTHLY CAP FROM FIFTY CENTS (\$.50) TO THREE DOLLARS (\$3.00) FOR RESIDENTIAL CUSTOMERS; FOR NON-RESIDENTIAL CUSTOMERS CONSUMER UTILITY TAX ON GAS IS INCREASED FROM ONE DOLLAR (\$1.00), TO ONE DOLLAR AND FORTY CENTS (\$1.40) PER CCF, AND INCREASES THE MONTHLY CAP FROM TEN (\$10) TO TWENTY DOLLARS (\$20.00). ORDINANCE NO. 2023-06 INCREASES THE CONSUMER UTILITY TAX ON ELECTRICITY FOR RESIDENTIAL CUSTOMERS FROM SEVENTY CENTS (.70) TO ONE DOLLAR (\$1.00), PLUS THE RATE OF \$0.007523 ON EACH KWH DELIVERED MONTHLY, AND THE MONTHLY CAP IS INCREASED FROM ONE DOLLAR (\$1.00) TO THREE DOLLARS (\$3.00). FOR NONRESIDENTIAL CUSTOMERS THE CONSUMER UTILITY TAX ON ELECTRICITY IS INCREASED FROM ONE DOLLAR (\$1.00) TO ONE DOLLAR AND SEVENTY-FIVE CENTS (\$1.75), PLUS THE RATE OF \$0.007342 ON EACH KWH DELIVERED MONTHLY, WITH A MONTHLY CAP INCREASE FROM TEN

DOLLARS (\$10.00) TO TWENTY-FIVE DOLLARS (\$25.00). THE GAS AND ELECTRIC UTILITY TAX INCREASES WILL TAKE EFFECT ON AUGUST 1, 2023. ORDINANCE NO. 2023-06 COMPLETELY REMOVES THE REQUIREMENT OF A VEHICLE DECAL AND THE PAYMENT OF A VEHICLE DECAL FEE AS OF THE DATE THE ORDINANCE IS ADOPTED.

**NOW THEREFORE BE IT ORDAINED** by the Ashland Town Council that, effective as of May 16, 2023, and retroactive to January 1, 2023, the Ashland Town Code, Chapter 6, "Finance and Taxation," Article I, "In General," Section 6-2, "Annual Tax on Real Estate, Tangible Personal Property, Etc; Exemptions" shall be amended to read in its entirety as follows:

"Sec 6-2 Annual Tax On Real Estate, Tangible Personal Property, Etc.; Exemptions

- a) There shall be levied and collected each calendar year a tax on:
1. real estate and mobile homes at the rate of ten cents (\$0.10) on each one hundred dollars (\$100.00) of assessed valuation; and
  2. a tax on personal property at the rate of seventy cents (\$0.70) on each one hundred dollars (\$100.00) of assessed valuation, except that there shall be a separate class of personal property taxed as follows: a data center tax rate of ten cents (\$0.10) on each one hundred dollars (\$100.00) of assessed valuation; and
  3. public service corporations at the rate of seventy cents (\$0.70) on each one hundred dollars (\$100.00) of assessed valuation; and
  4. machinery and tools at the rate of seventy cents (\$0.70) on each one hundred dollars (\$100.00) of assessed valuation.

The following items of tangible household goods and personal effects are exempt from taxation:

- i. Bicycles.
- ii. Household and kitchen furniture, including gold and silver plated watches and clocks, sewing machines, refrigerators, automatic refrigerating

- machinery of any type, vacuum cleaners and all other household machinery, books, firearms and weapons of all kinds.
- iii. Pianos, organs, phonographs and record players and records to be used therewith, all other musical instruments of whatever kind and radio and television instruments and equipment.
  - iv. Oil paintings, pictures, statuary, curios, articles of virtue and works of art.
  - v. Diamonds, cameos or other precious stones and all precious metals used as ornaments or jewelry.
  - vi. Sporting and photographic equipment.
  - vii. Clothing and objects of apparel.
  - viii. All other tangible personal property used by an individual or a family or household incident to maintaining an abode.

- b) Each active volunteer, serving in any of the approved fire companies or rescue squads within Hanover County, and who is deemed to be eligible under the terms of the Hanover County Short-Term Benefits Incentive Program, shall receive an abatement of one-half of the personal property tax on one vehicle owned by the volunteer provided that the vehicle must be routinely used by the volunteer to respond to emergencies or perform volunteer work in his/her respective organization.
- c) Personal property tax exemption for one motor vehicle owned and regularly used by a veteran who has either lost or lost the use of, one or both legs or an arm or a hand or who is blind or who is permanently and totally disabled as certified by the Department of Veterans Services. This subsection (c) is considered pursuant to the grant of authority contained in Code of Virginia, section 58.1-3506, 1950, as amended."

**NOW THEREFORE BE IT FURTHER ORDAINED** by the Ashland Town Council that, effective as of May 16, 2023, the Ashland Town Code, Chapter 6, "Finance and Taxation," Article IX, "Cigarette Tax," Section 6-91, "Levied Amount" be amended to read as follows:

"Sec 6-91 Levied; Amount

There is hereby levied and imposed by the town, in addition to any other taxes which may be or have been imposed, a tax to be paid and collected as provided in this article on each and every sale of cigarettes made in the town. The tax is to be paid by the seller, local dealer or other agent by affixing a stamp, or causing a stamp to be affixed to every package of cigarettes, in the kind and manner required in this article and at the applicable rates as follows: The rate or amount of tax levied or imposed on cigarettes shall be at the rate of forty-four cents (\$.44) for each twenty (20) cigarettes or fractional part thereof."

**NOW THEREFORE BE IT FURTHER ORDAINED by the Ashland Town Council that effective on August 1, 2023, the Ashland Town Code, Chapter 6, "Finance and Taxation," Article VI, "Consumer Utility WC," Section 6-63, "Electric Utility Consumer Tax" be amended to read as follows:**

"Sec 6-63 Electric Utility Consumer Tax

- a. In accordance with section 58.1-3814, Code of Virginia, 1950 as amended, there is hereby imposed and levied a monthly tax on each purchase of electricity delivered to consumers by a service provider, classified as determined by such provider as follows:
  1. Residential consumers. Such tax shall be one dollar (\$1.00) plus the rate of \$0.007523 on each kWh delivered monthly to residential consumers by a service provider not to exceed three dollars (\$3.00) monthly.
  2. Non-residential consumers. Such tax on non-residential consumers shall be at the rates per month for the classes on non-residential consumers as set forth below:
    - i. Commercial consumers. Such tax shall be one dollar and seventy-five cents (\$1.75) plus the rate of \$0.007342 on each kWh delivered monthly to commercial consumers, not to exceed twenty-five dollars (\$25.00) monthly.

- ii. Industrial consumers. Such tax shall be one dollar and seventy-five cents (\$1.75) plus the rate of \$0.007342 on each kWh delivered monthly to industrial consumers, not to exceed twenty-five dollars (\$25.00) monthly.
- b. *Exemptions.* The following consumers of electricity are exempt from the tax imposed by this section:
  - 1. Any public safety agency as defined in section 58.1-3813, Code of Virginia, 1950 as amended.
  - 2. The United States of America, the Commonwealth and the political subdivisions thereof, including the Town of Ashland.
- c. *Billing, collection and remittance of tax.* The service provider shall bill the electricity consumer tax to all users who are subject to the tax and to whom it delivers electricity and shall remit the same to this jurisdiction on a monthly basis. Such taxes shall be paid by the service provider to this jurisdiction in accordance with section 58.1-3814, Code of Virginia, 1950, as amended, paragraphs F and G, and section 58.1-2901, Code of Virginia, 1950, as amended. If any consumer receives and pays for electricity but refuses to pay the tax imposed by this section, the service provider shall notify the Town of Ashland of the name and address of such consumer. If any consumer fails to pay a bill issued by a service provider, including the tax imposed by this section, the service provider must follow its normal collection procedures and upon collection of the bill or any part thereof must apportion the net amount collected between the charge for electric service and the tax and remit the tax portion to the Town of Ashland. Any tax paid by the consumer to the service provider shall be deemed to be held in trust by such provider until remitted to this jurisdiction.
- d. *Computation of bills not on a monthly basis.* Bills shall be considered as monthly bills for the purposes of this section if submitted twelve (12) times per year of approximately one month each. Accordingly, the tax for a

bimonthly bill (approximately sixty (60) days) shall be determined as follows:

1. The kWh will be divided by two (2);
2. A monthly tax will be calculated using the rates set forth above;
3. The taxable amount in shall be multiplied by two (2);
4. The taxable amount may not exceed twice the monthly maximum tax."

**NOW THEREFORE BE IT FURTHER ORDAINED** by the Ashland Town Council that effective on August 1, 2023 the Ashland Town Code, Chapter 6, "Finance and Taxation," Article VI, "Consumer Utility WC," Section 6-64, "Natural Gas Utility Consumer Tax" be amended to read as follows:

"Sec 6-64 Natural Gas Utility Consumer Tax

- a. In accordance with section 58.1-3814, Code of Virginia, 1950, as amended, there is hereby imposed and levied a monthly tax on each purchase of natural gas delivered to consumers by pipeline distribution companies and gas utilities classified by "class of consumers" as such term if defined in section 58.1-3814(J), Code of Virginia, 1950, as amended, as follows:
  1. Residential consumers. Such tax on residential consumers of natural gas shall be fifty cents (\$0.50) plus the rate of ten cents (\$0.10) on each CCF delivered monthly to residential consumers, not to exceed three dollars (\$3.00) per month.
  2. Nonresidential consumers. Such tax on nonresidential consumers shall be at the rates per month shown for each CCF delivered by a pipeline distribution company or a gas utility for the classes as set forth below:
    - i. Commercial consumers. Such tax shall be one dollar and forty cents (\$1.40) plus the rate of ten cents (\$0.10) on each CCF delivered monthly to commercial consumers, not to exceed twenty dollars (\$20.00) monthly.

- ii. Industrial consumers. Such tax shall be one dollar and forty cents (\$1.40) plus the rate of ten cents (\$0.10) on each CCF delivered monthly to industrial consumers, not to exceed ten dollars (\$20.00) monthly.
- b. *Exemptions.* The following consumers of natural gas shall be exempt from the tax imposed by this section:
  - 1. Any public safety agency as defined in section 58.1-3813, Code of Virginia.
  - 2. The United States of America, the commonwealth and the political subdivisions thereof, including the Town of Ashland.
- c. *Billing, collection and remittance of tax.* The service provider shall bill the natural gas consumer tax to all users who are subject to the tax and to whom it delivers natural gas and shall remit the same to this jurisdiction on a monthly basis. Such taxes shall be paid by the service provider to this jurisdiction in accordance with section 58.2-3814, Code of Virginia, 1950, as amended, paragraphs H and I, and section 58.1-2901, Code of Virginia, 1950, as amended. If any consumer receives and pays for natural gas billed but refuses to pay the tax imposed by this section, the service provider shall notify the Town of Ashland of the name and address of such consumer. If any consumer fails to pay a bill issued by a service provider, including the tax imposed by this section, the service provider must follow its normal collection procedures and upon collection of the bill or any part thereof must apportion the net amount collected between the charge for natural gas service and the tax and remit the tax portion to the Town of Ashland. Any tax paid by the consumer to the service provider shall be deemed to be held in trust by such provider until remitted to this jurisdiction.
- d. *Computation of bills not on a monthly basis.* Bills shall be considered as monthly bills for the purposes of this section if submitted twelve (12) times per year of approximately one month each. Accordingly, the tax for a bimonthly bill (approximately sixty (60) days) shall be determined as follows:

1. The CCF will be divided by two (2);
2. A monthly tax will be calculated using the rates set forth above;
3. The taxable amount in shall be multiplied by two (2);
4. The taxable amount may not exceed twice the monthly maximum tax."

NOW THEREFORE BE IT FURTHER ORDAINED by the Ashland Town Council that effective as of May 16,2023, the Ashland Town Code, Chapter 9, "Licenses," Article III, "Town Vehicle License," be deleted in its entirety; and

BE IT FINALLY ORDAINED that, effective on July 1, 2023, that Chapter 2, "Administration," Article II, "In General," Section 2-2.1, "Salaries of Members of Town Council, Planning Commission and Board of Zoning Appeals" be amended to read in its entirety as follows:

"Sec 2-2.1 Salaries Of Members Of Town Council, Planning Commission and Board Of Zoning Appeals

1. Effective July 1, 2023, each duly serving member of town council shall be paid the following annual salary:
  - a. Mayor \$ 10,272
  - b. Vice mayor \$ 8,568
  - c. Council member \$ 8,568
2. Each duly serving member of the board of zoning appeals shall be paid one-hundred dollars (\$100.00) for each board meeting attended.
3. Each duly serving member of the planning commission shall be paid one-hundred dollars (\$100.00) for each month in which he or she attends a commission meeting."



On a motion of \_\_\_\_\_, seconded by  
\_\_\_\_\_, the Ashland Town Council voted to approve **Ordinance  
2023-06** as follows:

This Ordinance shall take effect upon adoption.

Vote:

Mayor Trivett

Vice Mayor Hodges

Councilmember Abbott

Councilmember McGraw

Councilmember Barnhart

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Steve Trivett, Mayor

A copy Teste: \_\_\_\_\_  
Douglas A. Goodman, Clerk of Council

Public Hearings:

Town Council: \_\_\_\_\_

Adopted: \_\_\_\_\_