



To the Honorable Council
City of Norfolk, Virginia

June 25, 2019

From: Gregory Patrick, Director
Budget and Strategic Planning


Subject: Boat Tax and License
Amendment

Reviewed:


Catheryn R. Whitesell, Deputy City Manager

Ward/Superward: Citywide

Approved:


Douglas L. Smith, City Manager

Item Number: R-4

I. **Recommendation:** Adopt Ordinance

II. **Applicant:** City of Norfolk

III. **Description:**

This agenda item is an ordinance to lower the city's personal property tax rate and increase the license tax rate on privately owned pleasure boats and watercraft used for recreational purposes only. The tax on recreational boats will be reduced to 25 cents per \$100 of assessed value and the boat license will increase to \$15 on recreational boats under 16 feet in length and \$40 on recreational boats 16 feet and over in length effective January 1, 2020.

IV. **Analysis**

City Council amendments to the Proposed FY 2020 Operating Budget include restructuring the city recreational boat tax and license with the intent of eliminating the recreational boat tax next fiscal year. This ordinance decreases the personal property tax to 25 cents per \$100 of assessed value from 50 cents per \$100 of assessed value. The license for boats under 16 feet in length will increase from \$10 to \$15 and for boats 16 feet and over in length, the increase will be from \$25 to \$40.

V. **Financial Impact**

The impact to the budget is a loss in revenue of \$61,700. To balance the budget, the loss will be made up through the reforecasting of citywide healthcare costs as previously discussed during the City Council budget worksessions.

VI. **Environmental**

N/A

VII. Community Outreach/Notification

Public notification for this agenda item was conducted through the City of Norfolk's agenda notification process.

VIII. Board/Commission Action

N/A

IX. Coordination/Outreach

This letter has been coordinated with the Office of Budget and Strategic Planning, City Clerk, and the City Attorney's Office.

BAF

Form and Correctness Approved:

By *Jack E Cloud*
Office of the City Attorney

Contents Approved:

By *[Signature]*
DEPT.

NORFOLK, VIRGINIA

ORDINANCE No.

AN ORDINANCE TO AMEND AND REORDAIN SUBSECTION (4) OF SECTION 24-3 AND SUBSECTION (B) OF SECTION 24-335 OF THE NORFOLK CITY CODE, 1979, AS AMENDED, TO LOWER THE PERSONAL PROPERTY TAX RATE LEVIED AND RAISE THE LICENSE TAX RATE ON PRIVATELY OWNED PLEASURE BOATS AND WATERCRAFT USED FOR RECREATIONAL PURPOSES ONLY

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BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That Section 24-3, subsection (4) and Section 24-335, subsection (b) of the Norfolk City Code, 1979 are hereby amended and reordained so as to read as follows:

Sec. 24-3 Tax levied on tangible personal property, machinery and tools; proration, refund.

- (4) On all privately owned pleasure boats and watercraft used for recreational purposes only, there shall be a tax of twenty five cents (\$0.25) for every one hundred dollars (\$100.00) of assessed value thereof. On all other boats and watercraft, there shall be a tax of one dollar fifty cents (\$1.50) for every one hundred dollars (\$100.00) of assessed value thereof.

Sec. 24-335 Levy and amount of tax

- (b) Such license tax shall be levied in the following amounts:
 - (1) For boats under sixteen (16) feet, fifteen dollars (\$15.00);
 - (2) For boats sixteen (16) feet and greater, forty dollars (\$40.00).

Section 2:- That this ordinance shall be in effect from and after July 1, 2019, for initial use in the tax year beginning January 1, 2020.