

COUNTY OF YORK

MEMORANDUM

DATE: May 11, 2022
TO: York County Board of Supervisors
FROM: Neil A. Morgan, County Administrator
SUBJECT: Budget Trend Information



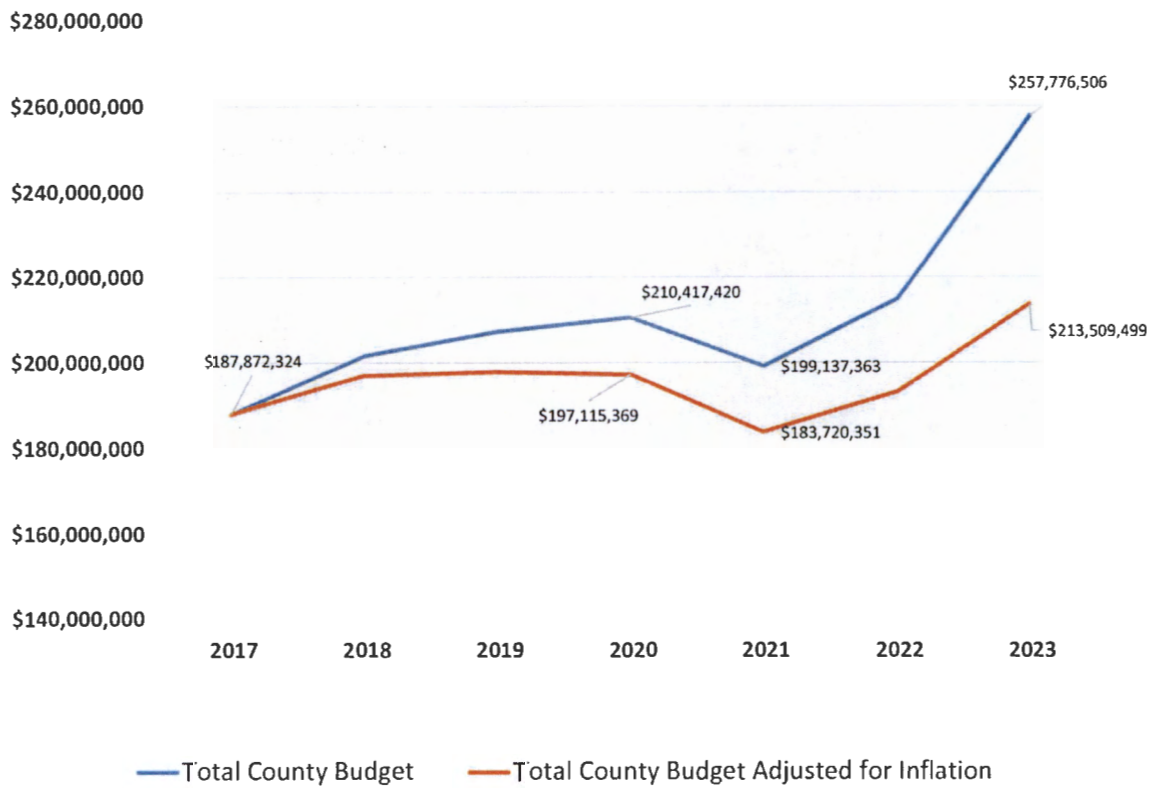
Recently, Mr. Roane asked for some analysis over time of certain budget trends. The enclosed graphics, I believe, are responsive to his questions.

The information is definitely of general interest. Among other observations, almost all ongoing revenue growth has been locally generated. After adjusting for inflation, almost all expenditure increases in recent years are tied to the County's more robust Capital Improvements Program. It is also interesting how the Real Estate Tax Rate has varied substantially based on the overall economy and the condition of the real estate market.

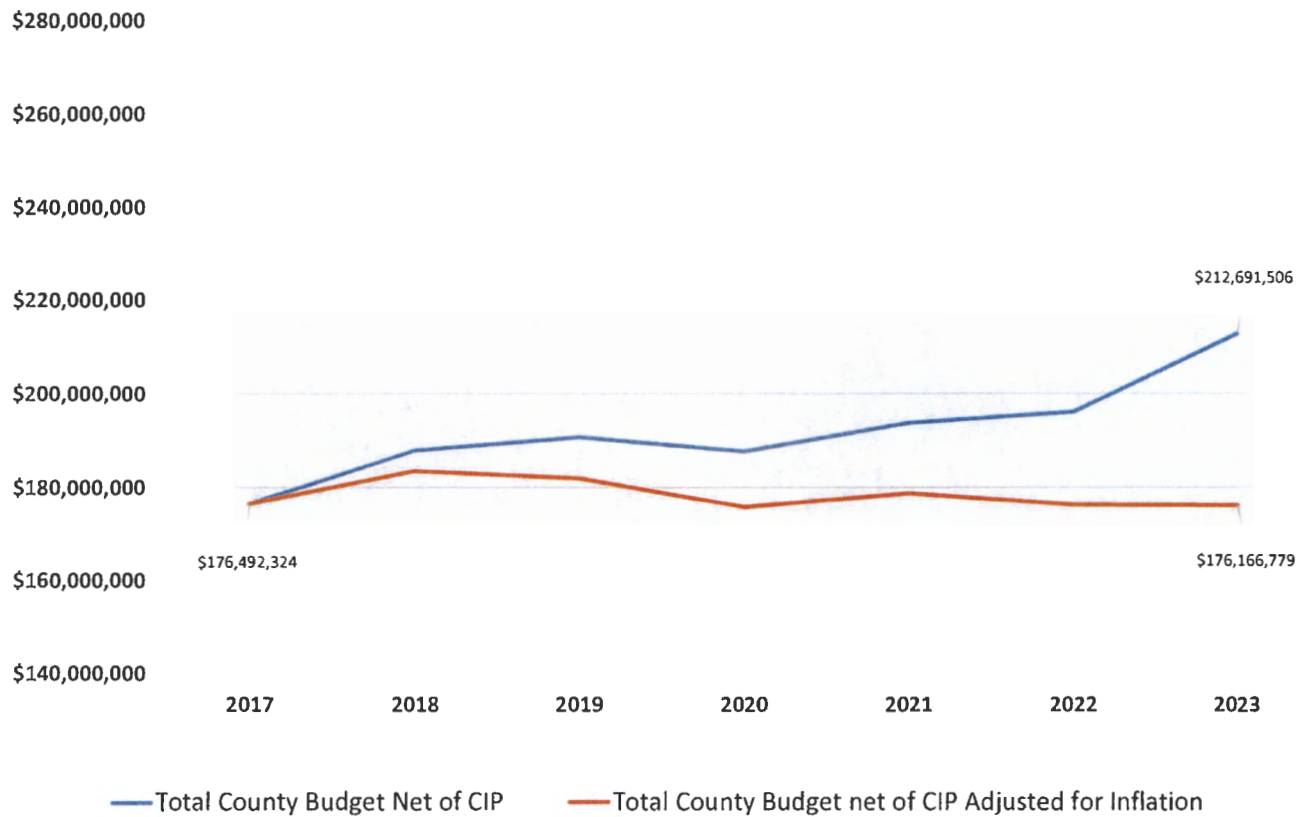
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Attachments

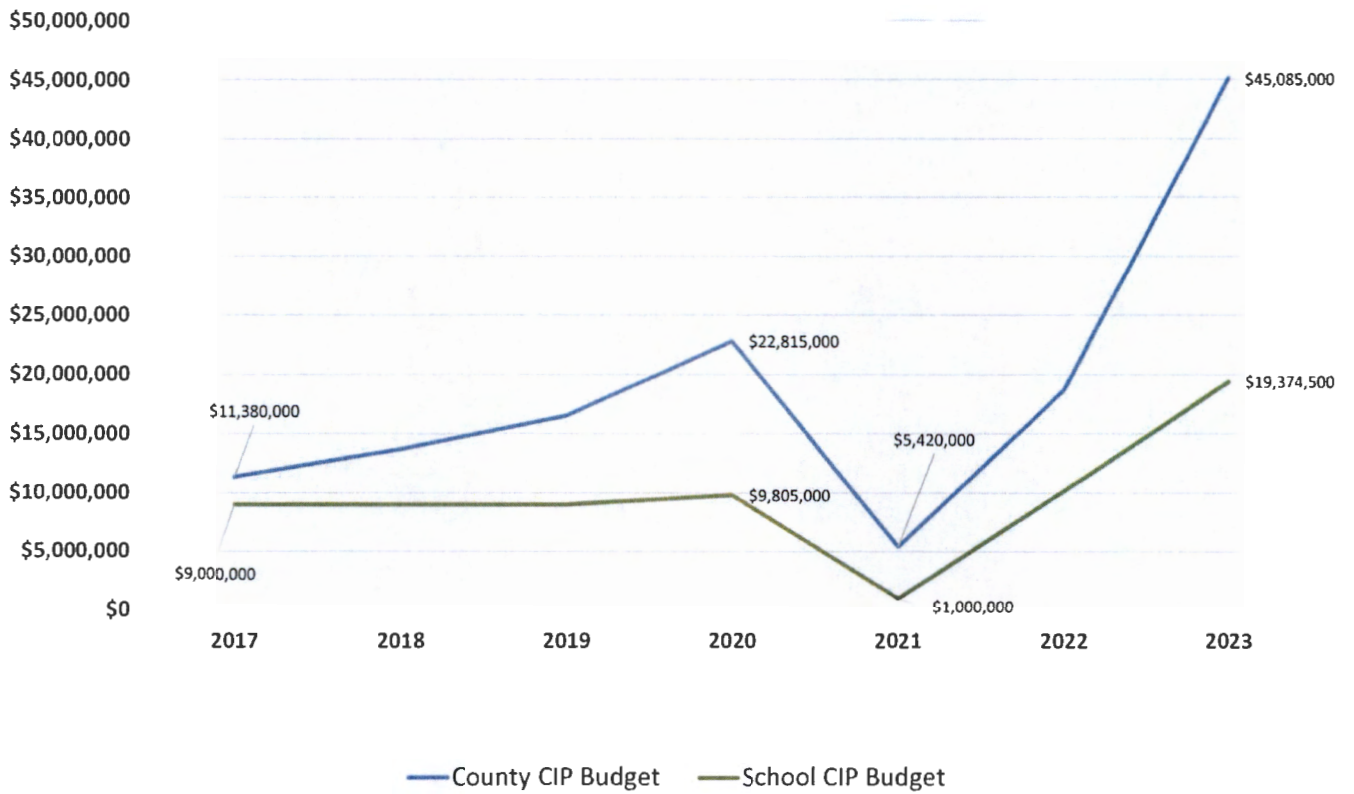
Total County Budget



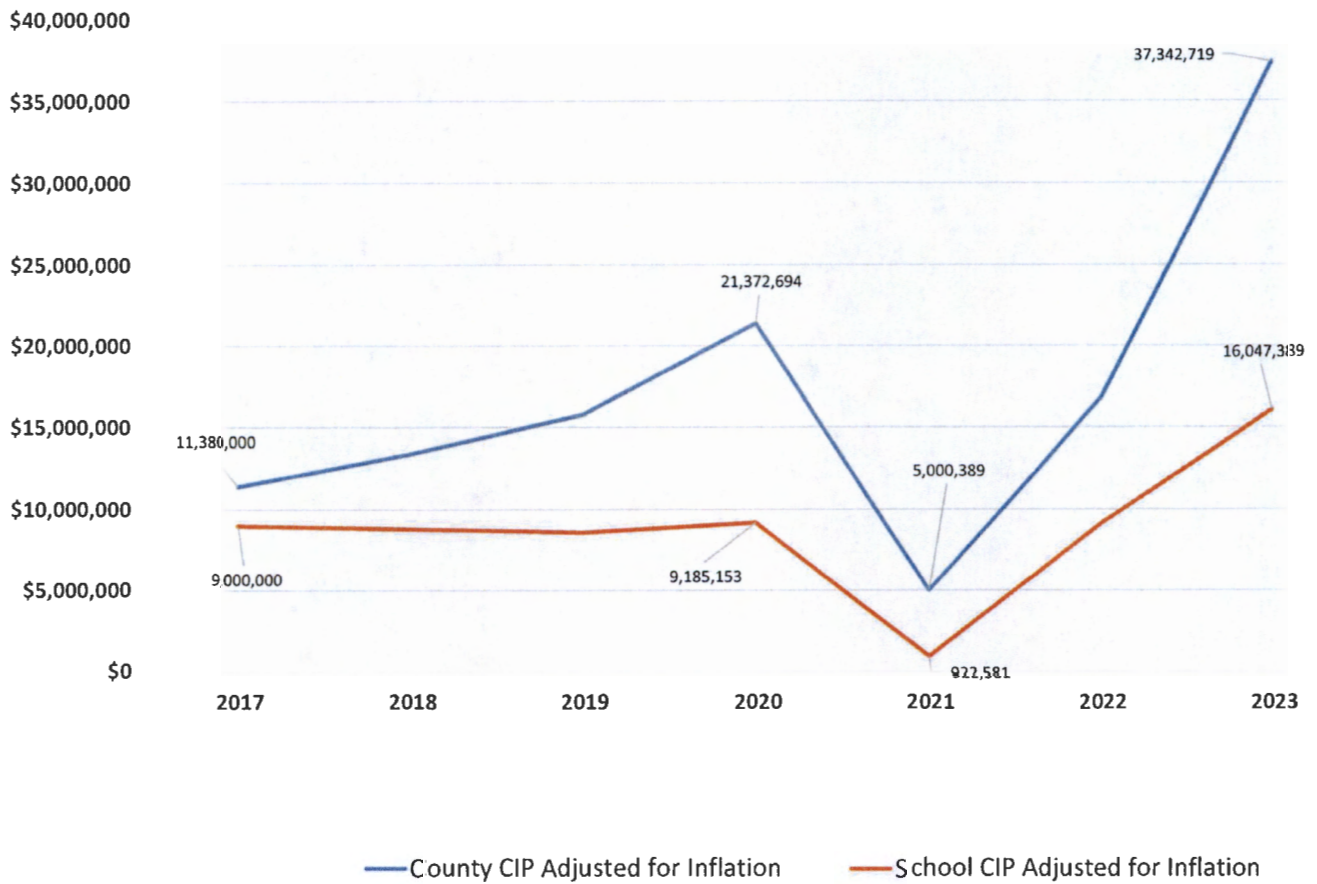
Total County Budget Net of Capital Projects



Budgeted Capital Projects Program



Budgeted Capital Projects Adjusted for Inflation



Budgeted Revenue By Source

\$250,000,000

\$200,000,000

\$150,000,000

\$100,000,000

\$50,000,000

\$0

2017

2018

2019

2020

2021

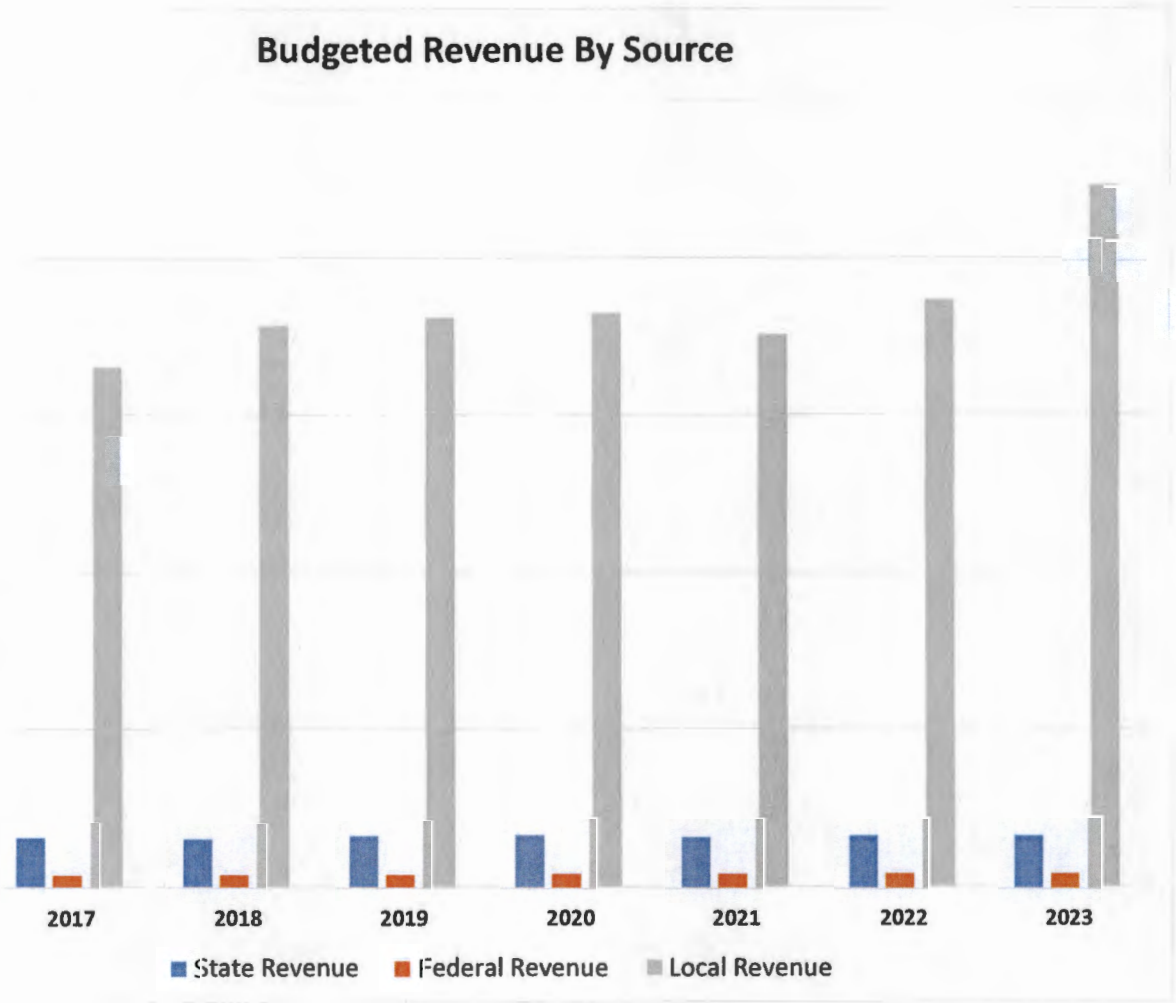
2022

2023

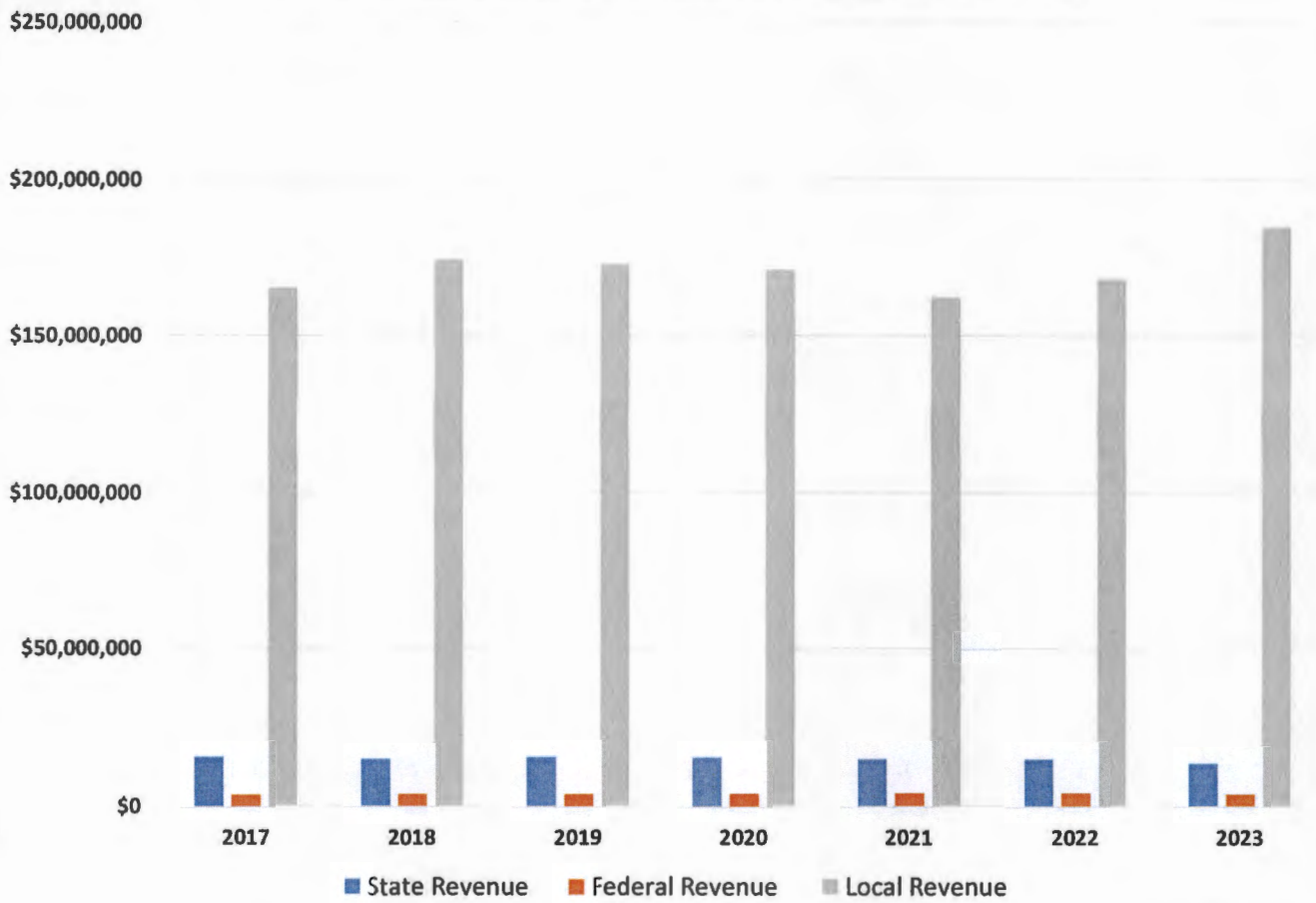
■ State Revenue

■ Federal Revenue

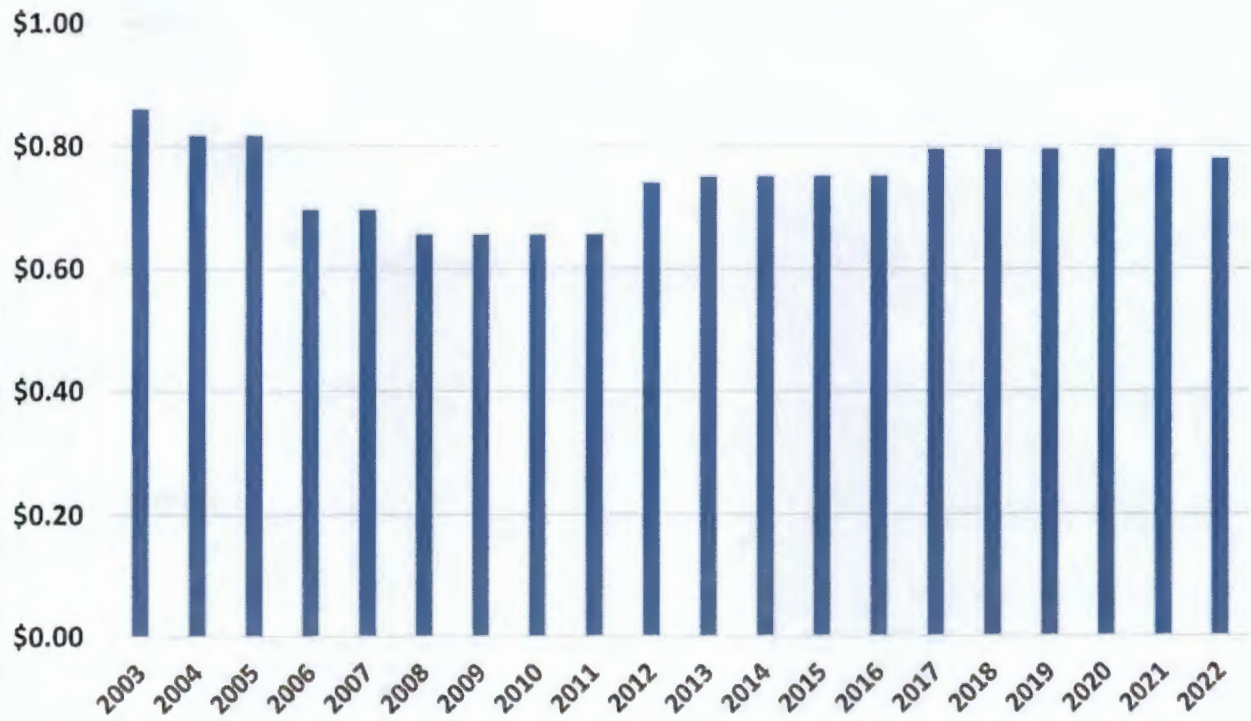
■ Local Revenue



Budgeted Revenue by Source Adjusted for Inflation



Real Estate Tax Rate History

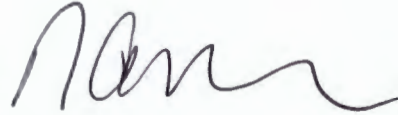


Calendar Year	Real Estate Tax Rate
2003	\$ 0.860
2004	\$ 0.818
2005	\$ 0.818
2006	\$ 0.698
2007	\$ 0.698
2008	\$ 0.658
2009	\$ 0.658
2010	\$ 0.658
2011	\$ 0.658
2012	\$ 0.742
2013	\$ 0.752
2014	\$ 0.752
2015	\$ 0.752
2016	\$ 0.752
2017	\$ 0.795
2018	\$ 0.795
2019	\$ 0.795
2020	\$ 0.795
2021	\$ 0.795
2022	\$ 0.780

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DATE: May 11, 2022
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FROM: Neil A. Morgan, County Administrator
SUBJECT: Used Vehicle Values



As we discussed during the FY 2023 budget review process, there was an expectation that the Personal Property Tax for certain high-value used vehicles would temporarily increase for the calendar year 2022. We have now received specific data which confirms this trend.

The assessed value of vehicles as of 1/1/22 has increased from that reported on 1/1/21 and is most likely temporary. This is a result of a supply chain issue in the automotive industry. Given our budget requirements, we felt like our recommendation could choose between a slight real estate rate reduction or some temporary car tax adjustment. However, we could not risk doing both, given the cash requirements of our CIP and the chance that the County could lose as much as \$3 million from the state in its unresolved budget related to the one-cent local grocery tax. Additionally, some economists are now forecasting a recession within 12 months, leaving the County's revenue estimates in various consumer taxes vulnerable to underperformance.

Identified below is a sampling of actual used vehicle assessment values for the upcoming York County billing cycle. As you can see the impact will be highly variable but more impactful to citizens with high value, newer used vehicles.

Personal Property Tax Examples

Description	Value at 1/1/21	Tax Calendar year 2021	Value at 1/1/22	Tax Calendar Year 2022	Difference Yearly	Difference each half
2000 Ford F150	\$ 250	\$ 5.15	\$ 250	\$ 5.95	\$ 0.80	\$ 0.40
08 Chev Cobalt	\$ 1,550	\$ 31.93	\$ 2,125	\$ 50.58	\$ 18.65	\$ 9.32
2020 KIA SUV	\$ 16,325	\$ 336.30	\$ 22,525	\$ 577.00	\$ 240.71	\$ 120.35
15 Chrysler 200	\$ 7,225	\$ 148.84	\$ 10,700	\$ 254.66	\$ 105.83	\$ 52.91
19 Jeep	\$ 30,875	\$ 847.00	\$ 39,375	\$ 1,251.00	\$ 404.00	\$ 202.00

In York County, vehicle assessments are ascertained from the 'NADA Official Used Car Guide' or 'NADA Official Older Used Car Guide'. Within that "guide", vehicles are assessed using 100% of the 'clean loan value' for the specific year, make, and model of each vehicle. This is the lowest value listed in the book and no additions are made for condition, mileage or extra options. As an example, an actual York County vehicle had a value of \$16,325 on 1/1/21 and is now valued at \$22,525. The Kelly Blue Book value of this same vehicle is over \$26,000. The Commissioner of Revenue's policy to assess vehicles at the lowest value permissible under state law, combined with the County's low overall rate of \$4.00 per \$100 of value, moderates the overall citizen impact related to higher used car values.

Again we feel the car tax increase will likely be temporary and in fact, market prices have fallen from their peak at the beginning of 2022. Next year's car tax will probably go down for some people. Any temporary reduction in the rate would be very difficult to undo in a future budget year, even if the value increase is temporary as appears likely. If the higher used car values do become a permanent feature of the market, the Board of Supervisors could consider lowering the rate next year.

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