

Chapter 75

FINANCE AND TAXATION

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Adopted by the Town Council of the Town of Front Royal 3-11-85. (*Chapter 8 of the 1965 Code including adoptions/amendments 1-22-73; 5-28-73;6-25-73; 7-28-75; 7-23-79; 10-8-79; 5-26-80;7-13-81; 4-25-83*). Ord. No. 1-86 Added 75-26.1 "*Commission for Collection of Taxes*" 1-13-86. Ord. No. 4-86 repealed 75-32(M) 5-12-86. Ord. No 6-88 Added 75-48 "*Production of Information – Sales and Use Tax Info.*" 7-11-88. Ord. No.11-2000 repealed 75-26.1 "*Commission for Collection of Taxes*" 6-26-00. Other amendments noted where applicable.

**DEPOSIT OF TOWN FUNDS****75-1 DESIGNATION OF DEPOSITORIES**

The funds of the Town shall be deposited in a "qualified public depository", which shall be any national banking association, federal savings and loan association or federal savings bank and any bank, trust company or savings and loan association organized under Virginia law which has an office and accepts deposits in the Town of Front Royal, provided that said "qualified public depository" is insured by the FDIC or the FSLIC or otherwise complies with the requirements of the Virginia Security for Public Deposits Act, Virginia Code Section 2.1-359, et seq.

All accounts for the deposit of Town funds shall be established by the Town Treasurer with the concurrence of the Town Council.

**(Ord. No. 1-88 Amended 2-22-88-Effective Upon Passage)**

**BANK FRANCHISE TAX**

(Adopted 5-26-80)

**75-2 BANK FRANCHISE TAX DEFINITIONS**

For the purposes of this Article, the following terms shall have the meanings indicated:

**BANK** - Any incorporated bank, banking association or trust company organized by or under the authority of the laws of the Commonwealth of Virginia and any bank or banking association organized by or under the authority of the laws of the United States, doing business or having an office in the Commonwealth of Virginia or having a charter which designates any place within the Commonwealth of Virginia as the place of its principal office, whether such bank or banking association is authorized to transact business as a trust company or not, and any joint-stock land bank or any other bank organized by or under the authority of the laws of the United State upon which the Commonwealth of Virginia is authorized to impose a tax. The word "bank" as used in this Article shall exclude all corporations organized under the laws of other states and doing business in the Commonwealth of Virginia; it shall exclude corporations organized not as banks under the laws of the Commonwealth of Virginia; and it shall exclude all natural persons and partnerships.

**75-3 BANK FRANCHISE TAX - IMPOSITION OF TAX**

A. Levy with reference to bank located in Town. Pursuant to Section 58-485.010, Code of Virginia, there is hereby imposed a tax of eighty cents (\$.80) on each one hundred dollars (\$100.) of the taxable value of the shares of stock in any bank located in the Town; provided, however, that if any such bank has any branch or branches located outside the corporate limits of the Town, the tax imposed by this section shall be only upon such proportion of the taxable value of the net capital of such bank as the total deposits of the bank, minus deposits through any branch or branches located outside the corporate limits of the Town, bear to the total deposits of the bank as the end of the preceding year.

B. Levy with reference to branches located in Town. Pursuant to Section 58-485.012, Code of Virginia, there is hereby imposed a tax of eighty cents (\$.80) per one hundred dollars (\$100.) on such proportion of the taxable value of the net capital of any bank having a branch located in the Town, the principal office of which is located outside the corporate limits of the Town, as the deposits through the branch or branches so located in the Town bear to the total deposits of the bank as of the end of the preceding year.

**75-4 BANK FRANCHISE TAX - DELIVERY OF RETURNS**

Each bank in the Town, and each bank located outside the Town which has, as of the beginning of any tax year, a branch located in the town, shall make all returns and schedules to the Town Treasurer, as required by Section 58-485.013, Code of Virginia, on or before March 1 of each year.

**75-5 BANK FRANCHISE TAX - ASSESSMENT AND COLLECTION**

The assessment and collection of the taxes imposed under the provisions of this Article shall be in conformity with the applicable sections of Chapter 10.01 of Title 58, Code of Virginia.

**75-6 BANK FRANCHISE TAX - TIME OF PAYMENT**

The taxes imposed under this Article shall be paid to the Town on or before June 1 of each tax year.

**75-7 BANK FRANCHISE TAX - VIOLATIONS AND PENALTIES**

Any bank which shall fail or neglect to comply with any provision of this Article shall be fined not less than one hundred dollars (\$100.) nor more than five hundred dollars (\$500.), which fine shall be recovered upon motion, after five (5) days notice in the Circuit Court of this locality. The motion shall be in the name of the commonwealth and shall be presented by the attorney for the commonwealth of this locality.

**EXEMPTION FOR CERTIFIED POLLUTION CONTROL EQUIPMENT, FACILITIES AND PROPERTY (Adopted 6-25-73)****75-8 DEFINITIONS**

For the purposes of this Article, the following words or phrases shall have the meanings respectively ascribed to them by this section:

**CERTIFIED POLLUTION CONTROL EQUIPMENT, FACILITIES AND PROPERTY -**

Any property, including real or personal property, equipment, facilities or devices, used primarily for the purpose of abating or preventing pollution of the atmosphere or waters of the commonwealth, and which the state certifying authority having jurisdiction with respect to such property has certified to the Department of Taxation as having been constructed, reconstructed, erected or acquired in conformity with the state program or requirements for abatement or control of water or atmospheric pollution or contamination.

**STATE CERTIFYING AUTHORITY** - The State Water Control Board for water pollution and the State Air Pollution Control Board for air pollution, including any interstate agency authorized to act in place of a certifying authority of the state.

**75-9 GRANT OF EXEMPTION**

Certified pollution control equipment, facilities, and property, as defined in this Article, are hereby declared to be a separate class of property and shall constitute a classification for local taxation separate from any other such classification of real or personal property, and such property shall be exempt from local taxation.

**TAX RELIEF FOR THE ELDERLY OR DISABLED (Adopted 1-22-73)****75-10 TAX RELIEF DEFINITIONS**

For the purposes of this Article, the following words and phrases shall have the meanings respectively ascribed to them by this section:

**AFFIDAVIT** - The real estate tax exemption or deferral affidavit.

**ASSESSMENT** - The monetary lien placed by the Town of Front Royal upon real property for the construction, improving, replacement, enlargement or use of sidewalks, alleys, sanitary and storm sewers, curbs and gutters, water lines, lighting fixtures and any other permanent amenities constituting improvements.

**(Ord. No. 11-04 Added 10-11-04-04-Effective 11-1-04)**

**DEFERRAL** - Deferral from the Town of Front Royal real estate tax and/or assessments for land improvements according to the provisions of this Article.

**(Ord. No. 11-04 Added 10-11-04-04-Effective 11-1-04)**

**DWELLING** - The full-time residence of the person or persons claiming exemption or deferral. The word "dwelling" shall include manufactured homes as defined in Section 36-85.3 of the Code of Virginia (1950), as amended.

**FAIR MARKET VALUE** - When applied to real estate, the assessed value, as shown on the records of the Town of Front Royal; when applied to personal property, the actual value as shown on the records of the Town of Front Royal.

**GROSS COMBINED INCOME** - For the purposes of the Article gross combined income shall include all income from all sources excluding life insurance benefits or receipts from borrowing or other debt.

**(Ord. No. 11-04 Added 10-11-04-04-Effective 11-1-04)**

**PROPERTY** - Real property or manufactured homes as defined in Section 36-85.3 of the Code of Virginia (1950), as amended.

**RELATIVE** - Any relation by blood or marriage.

**TAXABLE YEAR** - The calendar year, from January 1 until December 31, for which exemption or deferral is claimed.

**TOWN** - The Town of Front Royal, Virginia.

**TOWN COUNCIL** - The Town Council of the Town of Front Royal, Virginia.

**TOWN TREASURER** - The Town Treasurer of the Town of Front Royal, Virginia or any of his duly authorized deputies or agents.

(Ord. No. 8-04 Amended Entire Section 6-14-04-Effective 7-1-04)

### **75-11 TAX RELIEF - APPLICABILITY**

An exemption of real estate tax or an assessment deferral and/or real estate tax deferral for a dwelling and the land on which it is situated, up to a maximum of one (1) acre, is provided for qualified property owners who are not less than sixty-five (65) years of age or who are under sixty-five (65) years of age and are permanently and totally disabled and who are eligible according to the terms of this Article. Persons qualifying for exemption or deferral are deemed to be bearing an extraordinary real estate tax burden in relation to their income and financial worth.

(Ord. No. 8-04 Amended 6-14-04-Effective 7-1-04; Ord. No. 11-04 Amended 10-11-04-04-Effective 11-1-04)

### **75-12 TAX RELIEF – ADMINISTRATION/ENFORCEMENT; RULES/REGULATIONS**

The exemption or deferral shall be administered by the Town Treasurer according to the provisions of this Article. The Town Treasurer is hereby authorized and empowered to create an affidavit form and adopt, promulgate and enforce rules and regulations in conformance with the provisions of this Article, including the requirement of answers under oath, as may be reasonably necessary to determine qualifications for exemption or deferral as specified by this Article. The Town Treasurer may require the production of certified tax returns and appraisal reports to establish income or financial worth.

(Ord. No. 8-04 Amended 6-14-04-Effective 7-1-04; Ord. No. 11-04 Amended 10-11-04-04-Effective 11-1-04)

### **75-13 TAX RELIEF - CONDITIONS FOR GRANT OF EXEMPTION OR DEFERRAL**

A. Exemption shall be granted to persons subject to the following provisions:

1. The title of the property for which exemption is claimed is held or partially held, on January 1 of the taxable year, by the person or persons claiming exemption and is occupied as the sole dwelling of the person or persons claiming exemption.
2. The person occupying the dwelling and owning title or partial title thereto is sixty-five (65) years or older on December 31 of the year immediately preceding the taxable year or less than sixty-five (65) years of age and has been certified as permanently and totally disabled.
3. The total gross combined income received from all sources during the preceding calendar year by the owners of the dwelling who use it as their principal residence and the owners' relatives who live in the dwelling shall not exceed the Federal living wage for one (1) individual (the Federal living wage is calculated as 130% of the U.S. Department of Health & Human Services Poverty Guideline). Any amount up to six thousand five hundred dollars (\$6,500.00) of income of each relative who is not the spouse of an owner living in the

dwelling is excluded from the total combined income calculation. There shall also be an exclusion of up to seven thousand five hundred dollars (\$7,500.00) of income for an owner who is permanently disabled.

4. The net combined financial worth of the owner(s) as of December 31 of the year immediately preceding the taxable year shall be determined by the Town Treasurer to be an amount not to exceed one hundred thousand (\$100,000.00). The net financial worth shall include the fair market value of all assets, including equitable interests of the owner(s) and the spouse of the owner(s), and shall exclude the fair market value of the dwelling and the land upon which it is situated, up to a maximum of one (1) acre, for which the exemption is claimed.

B. Deferral shall be granted to persons subject to the following provisions:

1. The title of the property for which deferral is claimed is held or partially held, on January 1 of the taxable year, by the person or persons claiming deferral and is occupied as the sole dwelling of the person or persons claiming deferral.

2. The person occupying the dwelling and owning title or partial title thereto is sixty-five (65) years of age or older on December 31 of the year immediately preceding the taxable year or less than sixty-five (65) years of age and has been certified as permanently and totally disabled.

3. The total gross combined income received from all sources during the preceding calendar year by the owners of the dwelling who use it as their principal residence and the owner's relatives who live in the dwelling shall not be less than the Federal living wage for one (1) individual nor exceed thirty thousand (\$30,000.00). Any amount up to six thousand five hundred dollars (\$6,500.00) of income of each relative who is not the spouse of an owner living in the dwelling is excluded from the total combined income calculation. There shall also be an exclusion of up to seven thousand five hundred dollars (\$7,500.00) of income for an owner who is permanently disabled.

4. The net combined financial worth of the owner(s) as of December 31 of the year immediately preceding the taxable year shall be determined by the Town Treasurer to be an amount not to exceed one hundred thousand dollars (\$100,00.00). The net financial worth shall include the fair market value of all assets, including equitable interests of the owner(s) and the spouse of the owner(s), and shall exclude the fair market value of the dwelling and the land upon which it is situated, up to a maximum of one (1) acre, for which the deferral is claimed.

**(Ord. No. 8-87 Amended "C" & "D" 10-12-87-Effective 1-1-88)**

**(Ord. No 7-88 Amended "C-E" 9-12-88-Effective 1-1-89)**

**(Ord. No. 11-92 Amended "C" 11-9-92-Effective Upon Passage)**

**(Ord. No. 12-92 Repealed "F" 11-9-92-Effective Upon Passage)**

**(Ord. No. 8-04 Amended "A-E" 6-14-04-Effective 7-1-04)**

**(Ord. No. 11-04 Amended "A&B" and Repealed "C-E" 10-11-04-04-Effective 11-1-04)**



**75-14 TAX RELIEF - CLAIMING OF EXEMPTION OR DEFERRAL**

A. Annually, between January 1 and September 1 of the taxable year, the person or persons claiming an exemption or deferral must file a real estate tax exemption or real estate tax and/or assessment deferral affidavit with the Town Treasurer.

B. The applicant claiming an exemption or a deferral shall file the affidavit with the Town Treasurer on forms supplied by the Town of Front Royal setting forth the names of all related persons occupying the real estate in question, the names of all related persons occupying the real estate in question and stating that the total combined net worth, including equitable interests and the combined income from all sources, of the owner(s) and said relatives. If the applicant is under sixty-five (65) years of age, the affidavit shall have attached thereto a certification by the Veterans Administration or the Railroad Retirement Board or, if such person is not eligible for certification by any of these agencies, a sworn affidavit by two (2) medical doctors licensed to practice medicine in the Commonwealth of Virginia to the effect that the person is permanently and totally disabled, as defined in the Code of Virginia, Section 58.1-3217. The affidavit of at least one (1) of the doctors shall be based upon a physical examination of the person by said doctor. The affidavit of one (1) of the other doctors may be based upon medical information contained in the records of the Civil Service Commission which is relevant to the standards for determining permanent and total disability, as defined in the Code of Virginia, Section 58.1-3217. The Town Treasurer shall also make such further inquiry of persons seeking exemption or deferral, requiring answers under oath, as may be reasonably necessary to determine qualifications as specified herein, including qualification as permanently and totally disabled. The Town Treasurer may further require the production of certified tax returns to establish the income or financial worth of any applicant or tax exemption or deferral. Exemptions or deferrals may be granted for any year following the date that the qualifying individual reaches the age of sixty-five (65) years or for any year following the date that permanent and total disability occurs.

C. If, after audit and investigation, the Town Treasurer determines that the person or persons are qualified for exemption or deferral, he shall deduct the amount of the exemption or deferral from the claimant's real estate tax liability and/or assessment liability for the taxable year in question.

D. The fact that persons who are otherwise qualified for tax exemption or deferral are residing in hospitals, nursing homes, convalescent homes or other facilities for physical or mental care for extended periods of time shall not be construed to mean that the property for which the tax exemption or deferral is sought ceases to be the sole dwelling of such persons during such extended periods of absence, so long as such property is not used by or leased to others for consideration.

E. A qualified applicant who has filed a real estate tax exemption or real estate tax and/or assessment deferral affidavit, as provided herein, and been found qualified by the Town Treasurer, shall be permitted to file with the Town Treasurer, for a period not more than two (2) years following the filing of said affidavit, an annual certification that the information contained in the last preceding affidavit has not changed, provided that no changes in income, net worth

and any of the other conditions contained in this Article has occurred which affect the applicant's eligibility for exemption. The annual certifications will then be accepted by the Town Treasurer in lieu of the annual affidavit.

(Ord. No. 7-88 Amended Entire Section 9-12-88-Effective 1-1-89)

(Ord. No. 8-04 Amended Entire Section 6-14-04-Effective 7-1-04)

(Ord. No. 11-04 Amended Entire Section 10-11-04-Effective 11-1-04)

### **75-15 TAX RELIEF - AMOUNT OF EXEMPTION OR DEFERRAL**

An applicant meeting the requirements of this Article shall be entitled to an exemption or deferral of all real estate tax and assessment liability, as applicable, on the dwelling and the land on which is it situated, up to a maximum of one (1) acre.

The qualifying taxpayer may choose to defer a lesser amount than allowed above.

The accumulated amount of deferred real estate taxes for the period, including but not exceeding the five (5) immediately preceding years, shall be paid without penalty and without interest to the Treasurer of the Town of Front Royal by the vendor upon the sale or gift of the property, or from the estate of the descendant within one (1) year after the death of the last owner thereof who qualified for tax deferral under the provisions of this Article. Such deferred real estate taxes shall constitute a lien upon said property as if the taxes had been assessed without regard to the deferral permitted by this Article, provided that such liens shall, to the extent that they exceed in the aggregate ten per centum (10%) of the price for which such property may be sold, be inferior to all other liens of record, and further provided that payment of the accumulated amount of real estate taxes for the period, including but not exceeding the five (5) immediately preceding years, shall serve to satisfy real estate tax liens, but not assessment liens, for all tax years. A record of the taxes and assessments deferred under the provisions of this Article shall be retained in the office of the Treasurer of the Town of Front Royal.

(Ord. No. 8-87 Amended "A" 10-12-87-Effective 1-1-88;Ord. No 7-88 Amended 9-12-88-Effective 1-1-89)

(Ord. No. 14-93 Amended "C" 10-11-92-Effective 1-1-94;Ord. No. 8-04 Amended 6-14-04-Effective 7-1-04)

(Ord. No. 11-04 Amended/Repealed "A-C"10-11-04-Effective 11-1-04)

### **75-16 TAX RELIEF - CHANGES IN STATUS**

Changes in respect to income, financial worth, ownership of the property or other factors occurring during the taxable year for which the affidavit is filed and having the effect of exceeding or violating the limitations and conditions provided in this Article shall nullify any relief of real estate or assessment exemption or deferral for the then current taxable year and the taxable year immediately following; provided, however, that the change in ownership to a spouse, when such changes results solely from the death of the qualifying individual, shall result in a pro-rated exemption or deferral for the then current taxable year. Such pro-rated portions shall be determined by multiplying the amount of the exemption or deferral by a fraction, wherein the number of complete months of the year such property was properly eligible for exemption or deferral is the numerator and the number twelve (12) is a denominator.

(Ord. No 7-88 Amended 9-12-88-Effective 1-1-89;Ord. No. 8-04 Amended 6-14-04-Effective 7-1-04)

(Ord. No. 11-04 Amended 10-11-04-Effective 11-1-04)

**75-17 TAX RELIEF - VIOLATIONS AND PENALTIES**

Any person or persons falsely claiming a deferral shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not less than fifty dollars (\$50.) nor more than five hundred dollars (\$500.) for each offense.

**POSTPONEMENT OF PAYMENT FOR LOCAL IMPROVEMENT ASSESSMENTS**

(Adopted 11-9-92)

**75-17.1 ELIGIBILITY; DEFERRAL; REQUIREMENTS**

A. Any elderly or permanently and totally disabled property owner who meets the eligibility requirements for age and/or disability and/or income and financial worth, as more particularly set forth in Sections 75-11 and 75-13A through E of the Front Royal Town Code pertaining to tax relief for the elderly or disabled, and who otherwise is eligible under the requirements of state law set forth in Article 2 and Article 2.1 of Chapter 32 of the Code of Virginia (Sections 58.1-3210 through 58.1-3219.3), as amended), may apply to the Town Treasurer for a postponement in the payments of any assessment for local improvements made against the property owner by the Town of Front Royal in accordance with its authority under Code of Virginia, Section 15.1-239 et seq.

B. Application for postponement shall be made in accordance with the provisions established under Sections 75-12 and 75-14B through E of the Front Royal Town Code pertaining to tax relief for the elderly and disabled. No application shall be permitted until such time as the lien of assessment is due and owing to the town. Application may be made at any time during the calendar year.

C. Payment of assessment.

1. Upon approval of the application by the Town Treasurer, payment of the assessment in question shall be postponed until one (1) of the following occurs:
  - a. Sale, gift or transfer of the real property subject to the assessment.
  - b. Death of the last eligible owner.
  - c. Loss of eligibility under this Article by the property owner.
2. In accordance with the requirements of the Code of Virginia Section 58.1-3219.1, the postponed assessment payment shall be subject to statutory interest computed at the rate established pursuant to Section 6621 of the United States Internal Revenue Code. All accumulated assessment payments and interest shall be paid immediately on sale, gift or transfer of the property, or shall be due and payable immediately upon loss of eligibility by the property owner or shall be paid within one (1) year of the date of death of the last qualifying owner, as applicable.

(Ord. No. 13-93 Amended(C)(2) 10-11-93-Effective Upon Passage)

D. Property owners qualifying for postponement under this Article shall be required to report changes in status as provided in Town Code Section 75-16.

E. Violators of this Article shall be punished as provided in Town Code Section 75-17.

**SPECIAL ASSESSMENTS FOR AGRICULTURAL , HORTICULTURAL, FORREST  
OR OPEN SPACE REAL ESTATE (Adopted 10-8-79)**

**75-18 SPECIAL ASSESSMENTS - TAXATION TO BE IN ACCORDANCE WITH  
STATE LAW AND THIS ARTICLE**

The Town finds that the preservation of real estate devoted to agricultural, horticultural, forest and open space uses within its boundaries is in the public interest and, having heretofore adopted a land use plan, hereby ordains that such real estate shall be taxed in accordance with the provisions of Article 1.1 of Chapter 15 of Title 58, Code of Virginia, as amended, and of this Article.

**75-19 SPECIAL ASSESSMENTS - APPLICATIONS**

A. The owner of any real estate meeting the criteria set forth in Sections 58-769.5 and 58-769.7(b) Code of Virginia, may, on or before November 1 of each year, apply to the Town Treasurer for the classification, assessment and taxation of such property for the next succeeding tax year on the basis of its use, under the procedures set forth in Section 58-769.9, Code of Virginia. Such application shall be on forms provided by the State Department of Taxation and supplied by the Town Treasurer and shall include such additional schedules, photographs and drawings as may be required by the Town Treasurer. An application fee of ten dollars (\$10.) shall accompany each application.

B. A separate application shall be filed for each parcel on the land book, provided that, when applications are submitted by one (1) owner for contiguous parcels, only one (1) application fee shall be required.

**75-20 SPECIAL ASSESSMENTS - DETERMINATION OF ELIGIBILITY& VALUE**

A. Promptly upon receipt of any application, the Town Treasurer shall determine whether the subject property meets the criteria for taxation under this Article. If the Town Treasurer determines that the subject property does meet such criteria, he shall determine the value of such property for its qualifying use, as well as the fair market value.

B. In determining whether the subject property meets the criteria for agricultural use or horticultural use, the Town Treasurer may request an opinion from the Commissioner of Agriculture and Commerce, in determining whether the subject property meets the criteria for forest use, he may request an opinion from the Director of the Department of Conservation and Economic Development; and in determining whether the subject property meets the criteria for open space use, he may request an opinion from the Director of the Commission for Outdoor Recreation. Upon the refusal of the Commissioner of Agriculture and Conservation and

Economic Development or the Director of the Commission on Outdoor Recreation to issue an opinion or in the event of an unfavorable opinion which does not comport with standards set forth by the respective director, the party aggrieved may seek relief from any court of record wherein the real estate in question is located. If the court finds in his favor, it may issue an order, which shall serve in lieu of an opinion for the purposes of this Article.

#### **75-21 SPECIAL ASSESSMENTS - RECORDING OF PROPERTY VALUES**

The use value and fair market value of any qualifying property shall be placed on the land book before delivery to the Treasurer, and the tax for the next succeeding tax year shall be extended from the use value.

#### **75-22 SPECIAL ASSESSMENTS - ROLLBACK TAX AND INTEREST**

A. There is hereby imposed a rollback tax and interest thereon in such amounts as may be determined under Section 58-769.10, Code of Virginia, upon any property as to which the use changes to a nonqualifying use.

B. The owner of any real estate liable for rollback taxes shall report to the Treasurer, on forms to be prescribed, any change in the use of such property to nonqualifying use and shall pay the rollback then due. On failure to so report any pay within sixty (60) days following such change in use, such owner shall be liable for an additional penalty equal to ten percent (10%) of the amount of the rollback tax and interest, which penalty shall be collected as a part of the tax. In addition to such penalty, there is hereby imposed interest of one-half percent (1/2%) of the amount of the rollback tax, interest and penalty, for each month or fraction thereof during which the failure continues.

C. Any person making a material misstatement of fact in any application filed pursuant hereto shall be liable for all taxes, in such amounts and at such times as if such property had been assessed on the basis of fair market value as applied to other real estate in the taxing jurisdiction, together with interest and penalties thereon, and he shall be further assessed with an additional penalty of one hundred percent (100%) of such unpaid taxes.

D. The provisions of Title 58, Code of Virginia, applicable to local levies and real estate assessment and taxation shall be applicable to assessments and taxation hereunder mutatis mutandis, including, without limitation, provisions relating to tax liens and the correction of erroneous assessments, and for such purposes, the rollback taxes shall be considered to be deferred real estate taxes.

#### **RESTAURANT MEALS EXCISE TAX**

(Adopted 8-26-85) (Amended in Entirety 6-26-00)

#### **75-23 RESTAURANT MEALS EXCISE TAX DEFINITIONS**

The following words and phrases, when used in this ordinance shall have, for the purpose of this ordinance, the following respective meanings except where the context clearly indicates a different meaning:

**CATER** – The furnishing of food, beverages, or both on the premises of another, for compensation.

**COLLECTOR** – The Director of Finance or designee.

**DIRECTOR** – The Director of Finance and any duly designated deputies, assistants, inspector or other employees.

**FOOD** - All food, beverage or both, including alcoholic beverages, purchased in or from a food establishment, whether prepared in such food establishment or not, and whether consumed on the premises or not, and without regard to the manner, time or place of service.

**FOOD ESTABLISHMENT** – Any place in or from which food or food products are prepared, packaged, sold or distributed in the Town, including but not limited to, any restaurant, dining room, grill, coffee shop, cafeteria, café, snack bar, lunch counter, convenience store, movie theater, delicatessen, confectionery, bakery, eating house, eatery, drugstore, ice cream/yogurt shops, lunch wagon or truck, pushcart or other mobile facility from which food is sold, public or private property outside of and contiguous to a building or structure operated as a food establishment at which food or food products are sold for immediate consumption.

**MEAL** – Meal shall mean any food or drink offered or held out for sale by a food establishment for the purpose of being consumed by any person to satisfy the appetite and is ready for immediate consumption. All such food and beverage, unless otherwise specifically exempted or excluded herein shall be included, whether intended to be consumed on the seller's premises or elsewhere, whether designated as breakfast, lunch, snack, dinner, supper or by some other name, and without regard to the manner, time or place of service.

(Ord. No. 4-86 Added "Meal" 5-12-86-Effective 7-1-86)

#### **75-24 RESTAURANT MEALS EXCISE TAX - LEVY**

There is hereby imposed and levied by the Town on each person a tax at the rate of (4%) on the amount paid for meals purchased from any food establishment, whether prepared in such food establishment, whether prepared in such food establishment or not, and whether consumed on the premises or not.

(Ord. No. 15-91 Amended 6-10-91-Effective 7-1-91;Ord. No. 11-93 Amended 6-14-93-Effective 7-1-93)  
(Ord. No. 13-99 Amended 6-28-99-Effective 7-1-99;Ord. No. 11-00 Amended 6-26-00-Effective 7-1-00)

#### **75-25 RESTAURANT MEALS EXCISE TAX - COLLECTION OF TAX BY SELLER**

Every person receiving any payment for food with respect to which a tax is levied hereunder shall collect and remit the amount of the tax imposed by this ordinance from the person on whom the same is levied for from the person paying for such food at the time of payment for such food is made: provided, however, no blind person operating a vending stand or other business enterprise under the jurisdiction of the Department for the Visually Handicapped and located on

property acquired and used by the United States for any military or naval purpose shall be required to collect or remit such taxes.

#### **75-26 RESTAURANT MEALS EXCISE TAX - EXEMPTIONS; LIMITS ON APPLICATION**

A. The tax imposed under this ordinance shall not be levied on the following items when served exclusively for off-premises consumption:

1. Factory prepackaged candy, gum, nuts and other items of essentially the same nature.
2. Factory prepackaged donuts, ice cream, crackers, nabs, chips, cookies and items of essentially the same nature.
3. Food sold in bulk. For the purpose of this provision, a bulk sale shall mean the sale of any item that would exceed the normal, customary and usual portion sold for on premises consumption (e.g. a whole cake, a gallon of ice cream); a bulk sale shall not include any food or beverage that is catered or delivered by a food establishment for off-premises consumption.
4. Alcoholic and non-alcoholic beverages sold in factory sealed containers.
5. Any food or food product purchased with food coupons issued by the United States Department of Agriculture under the Food Stamp Program or drafts issued through the Virginia Special Supplemental Food Program for Women, Infants, and Children.
6. Any food or food product purchased for home consumption as defined in the federal Food Stamp Act of 1977, U.S.C. Section 2012, as amended, except hot food or hot food products ready for immediate consumption. For the purposes of administering the tax levied hereunder, the following items whether or not purchased for immediate consumption are excluded from the said definition of food in the Federal Food Stamp Act: sandwiches, salad bar items sold from a salad bar, prepackaged single-serving salads consisting primarily of an assortment of vegetables and non-factory sealed beverages. This subsection shall not affect provisions set forth in subparagraphs (C) (3), (4) and (5) herein below.

B. A grocery store, supermarket or convenience store shall not be subject to the tax except for any portion or section therein designated as a delicatessen or designated for the sale of prepared food and beverages.

C. The tax imposed hereunder shall not be levied on the following purchases of food and beverages:

1. Food and beverages furnished by food establishments to employees as part of their compensation when no charge is made to the employee.

2. Food and beverages sold by day care centers, public or private elementary or secondary schools or food sold by any college or university to its students or employees.
3. Food and beverages for use or consumption and which are paid directly by the Commonwealth, any political subdivision of the Commonwealth or the United States.
4. Food and beverages furnished by a hospital, medical clinic, convalescent home, nursing home, home for the aged, infirm, handicapped, battered women, narcotic addicts of alcoholics, or other extended care facility to patients or residents thereof.
5. Food and beverages furnished by a public or private non-profit charitable organization or establishment or a private establishment that contracts with the appropriate agency of the Commonwealth to offer meals at concession prices to elderly, infirm, blind, handicapped or needy persons in their homes or at central locations.
6. Food and beverages sold on an occasional basis, [not exceeding twelve (12) times per calendar year], by a non-profit educational, charitable or benevolent organization, church, or religious body as a fundraising activity, the gross proceeds of which are to be used by such organization exclusively for non-profit educational, charitable, benevolent or religious purposes.
7. Food and beverages sold through vending machines.

#### **75-27 RESTAURANT MEALS EXCISE TAX - GRATUITIES & SERVICE CHARGES**

Where a purchaser provides a gratuity for an employee of a seller, and the amount of the gratuity is wholly in the discretion of the purchaser, the gratuity is not subject to the tax imposed by this ordinance, whether paid in cash to the employee or added to the bill and charged to the purchaser's account, provided in the latter case, the full amount of the gratuity is turned over to the employee by the seller.

An amount or percent, whether designated as a gratuity, tip or service charge, that is added to the price of the food and beverages by the seller, and required to be paid by the purchaser, as part of the selling price of the food and beverages and is subject to the tax imposed by this ordinance.

#### **75-28 RESTAURANT MEALS EXCISE TAX - REPORT OF TAXES COLLECTED**

A. It shall be the duty of every person required by this ordinance to pay to the Town the taxes imposed by this ordinance to make a report thereof not later than the twentieth (20<sup>th</sup>) day of the month following the collection of such taxes from customers setting forth such information as the Director of Finance may prescribe and require, including all purchases taxable under this ordinance, the amount charged the purchaser for each such purchase, the date thereof, the taxes collected thereon and the amount of tax required to be collected by this ordinance. Such records shall be kept and preserved for a period of five (5) years. The Director of Finance or his duly authorized agents shall have the power to examine such records at reasonable times and without



unreasonable interference with the business of such person, for the purpose of administering and enforcing the provisions of this ordinance, and to make transcripts of all or any parts thereof.

B. Payment of the taxes so collected shall be remitted with the monthly report. Any person required by this ordinance to pay to the Town the taxes imposed by this ordinance who shall fail or refuse to make the monthly report within the time required or to remit the tax in the amount required, as provided by this Article, shall be required to pay a penalty in the amount of ten percent (10%) of the total tax due. In the event the remittance remains delinquent for more than one (1) month, the penalty shall increase five percent (5%) per month, for each month thereafter until paid, up to a maximum of twenty-five percent (25%) of the delinquent taxes collected but not remitted.

(Ord. No. 14-05 Amended/Added (B) 6-27-05-Effective 7-1-05)

#### **75-29 RESTAURANT MEALS EXCISE TAX - PENALTY FOR VIOLATION OF ORDINANCE**

A. Any person willfully failing or refusing to file a return as required under this ordinance shall, upon conviction thereof, be guilty of a Class 1 misdemeanor except that any person failing to file such a return shall be guilty of a Class 3 misdemeanor if the amount of tax lawfully assessed in connection with the return is \$1,000.00 or less. Any person violating or failing to comply with any other provision of this ordinance shall be guilty of a Class 1 misdemeanor.

B. Except as provided in subsection (A) above, any corporate or partnership officer, as defined in Virginia Code Section 58.1-3906, or any other person required to collect, account for, or pay over the meals tax imposed under this ordinance, who willfully fails to collect or truthfully account for or pay over such tax, or who willfully evades or attempts to evade such tax or payment thereof, shall, in addition to any other penalties imposed by law, be guilty of a Class 1 misdemeanor.

C. Each violation of or failure to comply with this ordinance shall constitute a separate offense. Conviction of any such violation shall not relieve any person from the payment, collection or remittance of the tax as provided in this ordinance.

#### **75-30 RESTAURANT MEALS EXCISE TAX - COLLECTIONS TO BE HELD IN TRUST**

All amounts collected as taxes under this Article shall be held in trust by the operator collecting them, until remitted to the Town as provided by this Article.

#### **75-31 RESTAURANT MEALS EXCISE TAX - COMMISSION FOR COLLECTION**

Every operator who collects, accounts for and remits taxes imposed herein to the Town of Front Royal shall receive a commission at the rate of four percent (4%) of the amount of tax due and accounted for by the operator. Said commission shall be paid in the form of a deduction from the tax so remitted. No commission shall be received by any operator in the event that the

amount due from said operator, or any part thereof, is delinquent under the provisions of this Article.

**75-32 (RESERVED) (Ord. No. 11-2000 Repealed 6-26-00-Effective 7-1-00)**

**MOTEL EXCISE TAX FOR TRANSIENTS**

(Adopted 8-12-85)

**75-33 MOTEL EXCISE TAX - DEFINITIONS**

For the purposes of this Article, the following words and phrases shall have the meanings respectively ascribed to them by this section:

**MOTEL** - Any public or private hotel, inn, apartment, hotel, hostelry, tourist home or house, bed and breakfast home or house, motel, rooming house, travel campground or other lodging place within the Town of Front Royal with the capacity for four (4) or more transient lodgers at any one (1) time, offering lodging for compensation to any transient as defined herein.

(Ord. No. 11-95 Added "*travel campground*" 9-11-95-Effective Upon Passage)

**OPERATOR** - Includes any person, partnership, corporate entity, those acting in a representative capacity thereof and their successors and assigns, who run, manage, own or otherwise control a motel in the Town of Front Royal.

**ROOM RENTAL** - The total charge made by any motel for lodging and/or space furnished to any transient.

**TOWN** - The Town of Front Royal, Virginia.

**TRANSIENT** - Any person who for any period of less than thirty (30) consecutive days, whether at his own expense or at the expense of another, obtains lodging or the use of any space in a motel.

**TREASURER** - The Treasurer of the Town of Front Royal, Virginia, or his designated agent.

**75-34 MOTEL EXCISE TAX - TAX LEVIED; RATE**

There is hereby levied and imposed an excise tax of six percent (6%) of the total amount paid for motel room rental upon any transient in the Town of Front Royal. All fractional amounts of five-tenths cents (\$0.005) or more shall be rounded up to the next cent.

(Ord. No. 9-90 Amended 6-29-90-Effective Upon Passage)

(Ord. No. 5-95 Amended 6-12-95-Effective Upon Passage)

**75-35 MOTEL EXCISE TAX - PAYMENT AND COLLECTION**

In every case the tax shall be paid by the transient and collected by the operator at the time the room rental comes due and payable, whether payment is to be made in cash or on credit by means of a credit card or otherwise. The operator shall add the tax to the amount charged for the room rental, and the operator shall pay the taxes collected to the town as provided in this Article.

**75-36 MOTEL EXCISE TAX - COLLECTIONS TO BE HELD IN TRUST**

All amounts collected as taxes under this Article shall be deemed to be held in trust by the operator collecting them, until remitted to the Town as provided by this Article.

**75-37 MOTEL EXCISE TAX - COMMISSION FOR COLLECTION**

Every operator who collects, accounts for and remits taxes imposed herein to the Town of Front Royal shall receive a commission at the rate of four percent (4%) of the amount of tax due and accounted for by the operator. Said commission shall be paid in the form of a deduction from the tax so remitted. No commission shall be received by any operator in the event that the amount due from said operator, or any part thereof, is delinquent under the provisions of this Article.

**75-38 MOTEL EXCISE TAX - REGISTRATION; REPORTS AND REMITTANCES**

A. The Treasurer may require all prospective operators of motels licensed to do business in the Town to register for collection of the tax imposed by this Article.

B. Every operator shall make a report for each calendar month, showing the amount of charges for room rentals, and the amount of tax required to be collected. The monthly reports shall be made on forms prescribed by the Treasurer and shall be signed by the operator. They shall be delivered to the Treasurer on or before the 20th day of the calendar month following the month being reported. Each report shall be accompanied by a remittance in the amount of the tax due, made payable to the Town of Front Royal, Virginia.

**75-39 MOTEL EXCISE TAX - PENALTIES AND INTEREST**

Any operator who shall fail or refuse to make the monthly report within the time required or to remit the tax in the amount required, as provided by this Article, shall be required to pay a penalty in the amount of ten percent (10%) of the total tax due. In addition, the operator shall pay interest on all taxes imposed under this Article which are past due thirty (30) days or more, at the rate of twelve percent (12%) per annum. All penalties and interest shall be payable to the Town of Front Royal, and are in addition to any criminal penalties imposed under this Article.

**75-40 MOTEL EXCISE TAX - RECORDS**

It shall be the duty of every operator liable for the collection and remittance of the taxes imposed herein to keep and preserve for a period of two (2) years records showing all purchases taxable

under this Article, including the room rental charged to the transient, the date thereof, and the motel excise taxes for transients collected thereon. The Treasurer shall have the power to examine such records at reasonable times without interference by the operator for the purpose of administering and enforcing the provisions of this Article, and to make copies of all and any parts thereof.

#### **75-41 MOTEL EXCISE TAX - REPORT REQUIRED FOR OPERATORS DISPOSING OF BUSINESS**

In the event that any motel in the Town shall cease to operate, be sold or otherwise be disposed of, then notwithstanding the regular monthly report and payment requirements as set forth herein, that operator shall be required to file a report of the motel excise taxes for transients due, and make payment of those taxes on the date that the operator ceases operations or otherwise disposes of the business.

#### **75-42 MOTEL EXCISE TAX - EXEMPTIONS**

The following shall not be subject to the motel excise tax for transients imposed under this Article:

- A. Transient occupancy taxes imposed under Virginia Code Sections 58.1-3819 and 58.1-3820.
- B. Tips paid by the transient.
- C. Meals or other services not related to the rental of rooms or space furnished by the motel.
- D. Lodging furnished by public or private schools to their students or employees.
- E. Lodging and/or space purchased by federal, state or local government agencies, or by the officers or employees thereof while on official business.
- F. Lodging furnished by a hospital, nursing clinic, convalescent home, nursing home, home for the aged, infirm or handicapped or other extended care facility to patients or residents thereof.
- G. Lodging furnished by a nonprofit charitable or civic organization to the elderly, infirm, handicapped or needy persons.
- H. Sales taxes on lodging and/or space furnished to transients.
- I. Lodging furnished by day-care or other child care facilities for children under the care of such facility.
- J. Any other lodging and/or space furnished to transients which is exempted from taxation under the provisions of Virginia Code Section 58.1-3840.

**75-43 MOTEL EXCISE TAX - VIOLATIONS**

Any operator who shall violate or fail to comply with any of the provisions of the Article, or who shall file a false or misleading monthly report hereunder, shall be guilty of a Class 3 Misdemeanor and fined an amount of not more than \$500.00.

**DELINQUENT REAL ESTATE AND PERSONAL PROPERTY TAX LISTS**

(Adopted 11-10-86) (Amended in Entirety 9-25-89 and 9-14-98)

**75-44 REAL AND PERSONAL PROPERTY TAXES AND RATES**

A. The Town Treasurer, personally or through the Director of Finance, shall, after the annual tax assessments are made available to the Town, but not later than twenty (20) days prior to the due date of the taxes each year, send or cause to be sent by United States mail to each taxpayer assessed with real and personal property taxes and levies for that year amounting to five dollars (\$5.00) or more as shown by an assessment book in the Office of the Director of Finance, a bill or bills setting forth the amount due. If the said Director or Treasurer intends to seek collection of a tax in an amount less than five dollars (\$5.00), he shall send or cause to be sent to the taxpayer a bill as set forth above. Notwithstanding any of the foregoing, failure of the said Director or Treasurer to send or of the taxpayer to receive a bill shall not affect the taxpayer's obligation to pay the full amount of said taxes by the due date.

(Amended (A) 11-23-09-Effective 1-1-10 ; Amended (A) 11-10-14-Effective Upon Passage)  
(Amended 6-27-16-Effective Upon Passage)

B. On and after January 1, 2010, tax payments for real estate and personal property shall become due and payable to the Town of Front Royal on a semiannual basis, with one-half of the annual assessment of such taxes due on or before June 5th of each year after January 1, 2010, and the additional one-half of such taxes due on or before December 5th of each such year. A penalty of 10% of the tax past due or ten dollars (\$10.00), whichever is greater, shall be added to any tax not paid by the aforesaid due date, provided that in no case may the penalty exceed the amount of the tax assessed. In addition, interest shall be added to any delinquent taxes and penalties at the rate of 10% per year, with interest commencing on the first day of the month following the date on which any such taxes became due and payable.

(Amended (B) 11-23-09-Effective 1-1-10 ; Amended (B) 5-29-12-Effective Upon Passage)

C. There is hereby imposed upon all real property within the limits of the Town of Front Royal, Virginia, an effective tax rate in the amount of thirteen (\$0.13) per one hundred dollars (\$100.00) of assessed valuation and a tax upon all tangible personal property located within the limits of the Town of Front Royal, Virginia, in the amount of sixty-four cents (\$0.64) per one hundred dollars (\$100.00) of assessed valuation. The tax on all personal property shall include all Machinery and Tools. The tax on all real property shall include all mobile homes.

(Ord. No. 3-10 Added (C) 3-29-10-Effective Upon Passage)  
(Ord. No. 6-11 Amended (C) 3-28-11-Effective Upon Passage ; Amended – 3-24-14-Effective Upon Passage)  
(Tax Rate reaffirmed by Council 3-30-15)  
(Amended to add Machinery, Tools, Mobile Homes 6-8-15-Eff Upon Passage ; Tax Rate reaffirmed 4-25-16)  
(Amended Tax Rate 3-27-17 to 13.5 to be designated to PD – Eff 7-1-17 ; Tax Rate reaffirmed 4-9-18)

(Amended to Increase Tax Rate to Effective Tax Rate Due to Reassessment 4-8-19-Effective Upon Passage)  
(Amended to Decrease Tax Rate by .005 4.27.19-Effective Upon Passage)

#### 75-45 PREPARATION OF DELINQUENT TAX LISTS

A. The Town Treasurer shall determine and submit to the Town Council on an annual basis: (1) a list of real estate which is delinquent for the nonpayment of taxes; (2) a separate list of such taxes assessed on tangible personal property, machinery and tools and merchant's capital and other subjects of local taxation, other than real estate, as he is unable to collect; (3) a list of the uncollected taxes amounting to less than five dollars each for which no bills were sent under Town Code Section 75-44; and (4) a list of uncollected balances of previously billed taxes amounting to less than five dollars each as to which the treasurer has determined that the costs of collecting such balances would exceed the amount recoverable, provided that the treasurer shall not include on such list any balance with respect to which he has reason to believe that the taxpayer has purposely paid less than the amount due and owing.

B. The lists shall conform to the facts as they existed on June 30 of the year they are submitted to the Town Council. The lists shall be prepared not later than August 1 of each year and shall be submitted to the Town Council at its first regular meeting following completion by the Treasurer. The lists shall reflect the names and addresses of the property owners and/or delinquent taxpayers on the date of assessment and shall state the amounts of delinquent taxes due.

C. Notwithstanding any other provision of this Chapter, no tax or levy which has been discharged or otherwise rendered legally uncollectible as to a taxpayer liable upon it in a proceeding under the United States Bankruptcy Code (Title 11 of the United States Code) shall be considered delinquent with respect to that taxpayer on and after the date such obligation is discharged or otherwise rendered legally uncollectible, and the treasurer shall not include any such discharged or uncollectible obligation in any list required to be prepared pursuant to this section. Any such discharged or uncollectible obligation shall be stricken from the books of the treasurer as of the date the obligation is discharged or otherwise rendered uncollectible, and the treasurer thereafter shall have no further duty to collect such tax or levy.

#### D. TREASURER'S OATH.

1. At the foot of the Delinquent Real Estate Tax List, there shall appear the following oath, to which the Treasurer shall subscribe:

*"I, \_\_\_\_\_, Treasurer of the Town of Front Royal, do swear (or affirm) that the foregoing list is, I verily believe, correct and just, and that I have not received full payment of the taxes for which the real estate therein mentioned is returned delinquent, although I have used due diligence to collect such taxes".*

2. At the foot of the delinquent Personal Property Tax List, there shall appear the following oath, to which the Treasurer shall subscribe:

*"I, \_\_\_\_\_, Treasurer of the Town of Front Royal, do swear (or affirm) that the foregoing list is, I verily believe, correct and just, and that I have not received full payment of the taxes assessed on tangible personal property, machinery and tools and merchant's capital or other subjects of local taxation, other than real estate, for which the property or measure of taxation therein mentioned is returned delinquent, although I have used due diligence to collect such taxes."*

3. At the foot of each list authorized by Section 75-45 (A) (3) and (4), concerning unbilled and uncollected taxes less than five dollars in the aggregate, there shall appear the following oath, to which the Treasurer shall subscribe:

*"I, \_\_\_\_\_, Treasurer of the Town of Front Royal, do swear that the foregoing list is, I verily believe, correct and just, that I have not received full payment of the taxes although I have used due diligence to collect such taxes."*

Compliance with the Section 75-44 and 75-45 shall entitle the Treasurer to execute the oaths for the lists concerning unbilled and uncollected taxes less of than five dollars in the aggregate.

#### **75-46 DELINQUENT TAX LISTS - CREDIT TO TREASURER**

The treasurer shall be given credit for all taxes shown on the lists authorized in Section 75-45 (A) (3) and (4) and for obligations discharged in bankruptcy.

#### **75-47 DELINQUENT TAX LISTS - PUBLICATION**

The Town Council may cause each list in Section 75-45(A)(1) and (2), or such parts thereof as deemed advisable by the Town Treasurer, to be published once in a town newspaper, but if there be no newspaper published in the Town, then in some newspaper having general circulation therein. Further, the lists shall be posted at the front door of the County Courthouse for a period of thirty (30) days.

#### **75-48 DELINQUENT TAX LISTS - RESUBMISSION**

After the first meeting of the Town Council held after June 30 of each year, the Town Treasurer shall again submit the previous year's Delinquent Real Estate Tax List and the previous year's Delinquent Personal Property Tax List to the Council, setting forth the changes which have occurred since June 30 of the previous year.

### **SEPARATE CLASSIFICATIONS FOR PERSONAL PROPERTY TAXATION**

(Adopted 6-11-90)

**75-49 VOLUNTEER FIRE DEPT. RESCUE SQUAD MEMBERS' MOTOR VEHICLES**

A. Motor vehicles which are owned by active members of a Volunteer Fire Department or Volunteer Rescue Squad which receives annual financial support from the County of Warren, Virginia, are declared to be separate classes of property for personal property taxation by the Town of Front Royal.

B. One (1) motor vehicle per active Volunteer Fire Department or Rescue Squad member which is owned and regularly used by said member to respond to calls or to perform other official duties for the Rescue Squad or Fire Department shall be eligible for a special personal property classification under this section. In January of each year, Volunteer Rescue Squad and Volunteer Fire Department members may apply to the Front Royal Town Treasurer for a separate personal property classification of the applicant's motor vehicle. Acceptance for separate property classification as shall be determined by the Warren County Commissioner of Revenue in accordance with Warren County Code Section 7-1.1 shall then likewise operate to constitute acceptance under the provisions of this section.

**JAIL EXPENSE TAX (Adopted 9-24-90)****75-50 COURT COSTS FOR JAIL EXPENSES**

In addition to all other fees and costs prescribed by law, there shall be a fee of two dollars (\$2.) taxed as costs in each criminal or traffic case brought in all district courts and the Circuit Court of Warren County. Said assessment shall be collected by the Clerk of the court in which the action is filed and remitted to the Treasurer for the Town of Front Royal. Said funds shall be held by the Treasurer and shall be subject to disbursements by the Town Council to defray expenses paid by the Town of Front Royal associated with the jail, courthouse or court-related facilities. (Ord. No. 1-91 Amended 11-26-90-Effective Upon Passage)

**ENTERPRISE ZONE (Adopted 11-8-93)****75-51 ENTERPRISE ZONE - STATEMENT OF PURPOSE**

The Virginia Enterprise Zone Act, Section 59.1-270 et seq of the Code of Virginia, as amended, authorizes the Town of Front Royal to make written application to the Department of Housing and Community Development for the declaration of an area within the corporate limits as an enterprise zone. It is the purpose of the Enterprise Zone Act, and of this Article, to stimulate business and industrial growth within the area so designated as the Front Royal Enterprise Zone by means of state income tax credits, state sales tax exemptions and local incentives more particularly set forth herein.

**75-52 ENTERPRISE ZONE - BOUNDARIES**



The Front Royal Enterprise Zone has been deactivated by the Commonwealth of Virginia.

(Amended to Deactivate 6-8-15-Effective Upon Passage)

### 75-53 ENTERPRISE ZONE - DEFINITIONS

As used in this Article, the following definitions shall apply:

**BUSINESS FIRM** - Any business entity authorized to do business in the Commonwealth of Virginia and subject to the state income tax on net corporate rate income (Section 58.1-400 et seq.), or a public service company subject to a franchise or license tax on gross receipts, or a bank, mutual savings bank, savings and loan association or a partnership or sole proprietorship. A "business firm" includes partnerships and small business corporations electing to be taxed under Subchapter S of the Federal Internal Revenue Code, and which are not subject to state income taxes as partnerships or corporations, the taxable income of which is passed through to and taxed on individual partners and shareholders. However, a "business firm" does not include organizations which are exempt from state income tax on all income except unrelated business taxable income as defined in the Federal Internal Revenue Code, Section 512, nor does it include homeowners' associations as defined in the Federal Internal Revenue Code, Section 528.

**ENTERPRISE ZONE** - An area declared by the Governor of the Commonwealth of Virginia to be eligible for the benefits accruing under the Virginia Enterprise Zone Act (*Section 59.1-270 et seq.*).

**EQUIVALENT EMPLOYMENT OR JOB** - Forty (40) hours per week of an hourly week (or the salaried equivalent). A single "equivalent job" may be represented by one (1) employed individual, or by multiple employed individuals whose aggregate hours of employment (or salaried equivalent) equal forty (40) hours per week.

**EXISTING BUSINESS** - Any business operating or located within the Enterprise Zone on January 1, 1994, or within the corporate limits of the Town of Front Royal prior to its location within the Enterprise Zone. A business which retains the same ownership and which was operating or located within the Enterprise Zone on January 1, 1994, or within the corporate limits of the Town of Front Royal prior to location within the Enterprise Zone shall not be defined as a new business, even if the name or entity (corporate or otherwise) has changed.

**NEW BUSINESS** - A business operating within the Enterprise Zone after January 1, 1994, having had no prior business located within the corporate limits of the Town of Front Royal.

**TOWN** - The Town of Front Royal, Virginia.

### 75-54 ENTERPRISE ZONE - QUALIFICATION FOR BENEFITS

A. In order to qualify for local incentives pertaining to business and occupational licenses under this Article, a business firm must be located within the boundaries of the Front Royal Enterprise Zone and must provide the following: (Ord. No. 7-98 Amended 6-8-98-Effective Upon Passage)

1. A new business must provide at least five (5) full-time equivalent jobs. Said employment shall represent new jobs, not positions previously established within the town's corporate limits.
2. An existing business must increase its net full-time equivalent jobs by ten percent (10%) of its existing work force or by five (5) full-time equivalent jobs, whichever is greater.

B. In order to qualify for local incentives pertaining to building permit fees, water and sewer tap fees and rehabilitated real estate tax exemptions, in addition to the new employment requirements set forth in Subsection A, business firms must meet the following additional requirement:

1. A minimum investment of twenty-five thousand dollars (\$25,000) in the rehabilitation, renovation, new construction or other building or site improvements in the Enterprise Zone.

C. In order to qualify for local incentives pertaining to utility line extensions, in addition to the new employment requirements set forth in Section A, business firms must meet the following additional requirement:

1. A minimum investment of fifty thousand dollars (\$50,000.) in the rehabilitation, renovation, new construction or other building or site improvements in the Enterprise Zone.

D. Any business firm located in the Enterprise Zone shall be entitled to receive such additional local incentives as may be conferred by the town.

(Ord. No. 15-93 Added Entire Section/Repealed "F" 11-8-93-Effective Upon Passage)

#### **75-55 ENTERPRISE ZONE - LOCAL ENTERPRISE ZONE INCENTIVES**

A. Rebate Credit of business and occupational license fees. Qualified business firms shall be entitled to a credit of business and occupational license fees for a five-year period while the business firm is located within the Front Royal Enterprise Zone, upon application showing compliance with the qualifying requirements. During the first year following application approval, the business firm shall be entitled to an eighty-percent credit of its business and occupational license fees. During the second year, the business firm shall be entitled to a sixty-percent credit. During the third year, the business firm shall be entitled to a forty-percent credit. During the fourth year, the business firm shall be entitled to a twenty-percent credit, and, during the fifth year, the business firm shall be entitled to a twenty-percent credit.

(Ord. No. 7-98 Amended 6-8-98-Effective Upon Passage)

B. Water and sewer tap fee incentives. Qualified business firms located within the Enterprise Zone shall be entitled to a waiver of fifty percent (50%) of all municipal water and sewer tap fees

applied for during the first five (5) years that the business firm is located within the Enterprise Zone.

C. Water and sewer line extension benefits. Qualified business firms located within the Enterprise Zone shall be entitled without assessment or cost to water and sewer line extensions to the property line of the business firm during the entire time that said business firm is located within the Enterprise Zone, so long as the Enterprise Zone remains in effect. The property line shall refer only to a lot or parcel recorded in the land records on or before October 1, 1993. The town shall retain discretion as to the location of all water and sewer line extensions, and the number and size of all line extensions provided hereby.

D. Rehabilitated real estate tax exemption. Qualified business firms located within the Enterprise Zone shall receive a rehabilitated real estate tax exemption on the increase in assessed property value resulting from rehabilitation of commercial and industrial real estate and facilities, which qualify under the provisions of Virginia Code Section 58.1-3220, as amended. The rehabilitated real estate tax exemption shall be extended for a five-year period, upon application showing compliance with the qualifying requirements, on the following basis:

1. An eighty-percent exemption the first year.
2. A sixty-percent exemption the second year.
3. A forty-percent exemption the third year.
4. A twenty-percent exemption the fourth year.
5. A twenty-percent exemption the fifth year.

E. All license fees, building permit fees and water and sewer tap fees shall initially be paid in full by the business firm. The business firm shall then apply for an exemption or rebate hereunder, and, upon approval of the application, the business firm will receive a credit on its prepaid fees or taxes.

(Ord. No. 7-98 Amended/Change "E to F" 6-8-98-Effective Upon Passage)

#### **75-56 ENTERPRISE ZONE - APPLICATION**

Any business firm seeking to receive local Enterprise Zone incentives shall make application to the Enterprise Zone Administrator on forms provided by the Front Royal/Warren County Industrial Development Authority. The Enterprise Zone Administrator may require the business firm to provide documentation establishing that said business firm has met the requirements for the receipt of local Enterprise Zone incentives. Failure to provide requested documentation shall result in a denial of the business firm's application for local incentives. Upon approval of any business firm application for local Enterprise Zone incentives, the Enterprise Zone Administrator shall submit a written report to the Finance Director for the Town of Front Royal indicating the name and address of the qualifying business firm and the local Enterprise Zone incentives for which it is qualified. The Enterprise Zone Administrator may require the business firm to

provide additional documentation from time to time to assure that said business firm retains the requisite qualifications for the receipt of local Enterprise Zone incentives. In the event that any business firm shall fail to maintain the requisite qualifications for the receipt of local Enterprise Zone incentives, the Enterprise Zone Administrator shall inform the business firm, in writing, that it is no longer qualified for the receipt of local incentives and shall send a copy of said notice to the Town Finance Director.

#### **75-57 ENTERPRISE ZONE ADMINISTRATOR**

The Enterprise Zone Administrator shall be the Executive Director of the Front Royal/Warren County Industrial Development Authority.

### **TECHNOLOGY ZONE**

(Adopted 3-8-99)

#### **75-58 TECHNOLOGY ZONE - STATEMENT OF PURPOSE**

It is the purpose of the technology zone to foster high quality job creation and investment by technology related businesses, pursuant to the authority granted by Section 58.1-3850 of the Code of Virginia.

#### **75-59 "TECHNOLOGY BUSINESSES" DEFINED**

A. Except as provided in subsection B below, a "technology business" includes any business:

1. That derives, in whole or part, gross receipts from a computer software, hardware, or telecommunication sales, leases, licenses; or (2) services for which computers or telecommunications are used to provide sales, leases, licensing, or services directly to the customer. Such businesses include but are not limited to, the following:

- \*Electronic information operations and providers.
- \*Internet service providers.
- \*Software design and development.
- \*Computer and peripherals sales or assembly.
- \*Content developers.
- \*Internet-based sales and service.
- \*Hardware design, manufacture, assembly, and development.
- \*Telecommunications based video service providers.
- \*Outbound or inbound call centers.
- \*Telecommunications equipment manufacturing, assembly, or service.

B. "Technology business" does not include regulated utilities, telephone companies, or cable companies, or cable companies, nor does it include a business that merely uses computers or telecommunications in its internal operations.

#### **75-60 TECHNOLOGY ZONE - QUALIFICATION**

A. Determination of eligibility shall be made by public board action by the Industrial Development Authority of the Town of Front Royal and County of Warren trading as the Economic Development Authority, the administrator of the program. Upon approval, the Economic Development Authority shall submit a written report to the Front Royal Director of Finance of such determination and include therein the name and address of the qualifying business, a description of the activities meeting the definitions of Section 75-59 of this Code, and the incentives for which the business is qualified.

B. In order to qualify for local incentives pertaining to business and occupational licenses under this Article, a business must be located within the boundaries of a Front Royal Technology Zone and conform to the zoning therein.

C. A business located in a Technology Zone must also make and maintain the following minimum job and capital investments, after November 1, 2009, within 12 months of Technology Zone applications.

Minimum Job Creation: 2 full-time jobs paying a minimum of 2.0 times the minimum wage plus health and benefit plan valued equal to at least 10 percent of the base wage.

Minimum Investment: \$3,000 for Downtown Front Royal Zone; \$10,000 (improvements, equipment, or machinery) Inventory does not count.

(Ord. No. 13-09 Amended 12-21-09-Effective Upon Passage)

D. A business must be, at the time of application, and remain, during eligibility, current in all local, state, and federal taxes and appropriate user fees. The business must certify the same to the Economic Development Authority at the time of application and annually thereafter.

## 75-61 TECHNOLOGY ZONE BENEFITS

A. Permit Fee Grants.

The Economic Development Authority shall provide cash reimbursements for the following local permits and fees up to a maximum cumulative value of \$500 for qualified Technology Zone businesses provided the business's application for reimbursement is filed with the Economic Development Authority within the first 12 months of operation within the Zone.

Technology Zone Application fees. (EDA)

\*Building, Plumbing, Electrical & Mechanical Permit Fees. (Warren County)

\*Zoning Permit Fees. (Front Royal)

\*Subdivision Application Fees. (Front Royal)

B. Business Professional and Occupational License Taxes.

Provided they continue to remain qualified, qualified businesses shall be entitled to a credit of business and occupational license fees for that portion of their business classified as a "technology business" for a ten-year period while the business is located within a Front Royal

Technology Zone as follows: During the first five years following application approval, the business shall be entitled to a one hundred-percent credit of its business and occupational license fees. During the sixth year, the business firms shall be entitled to an eighty-percent credit. During the seventh year, the business firm shall be entitled to a sixty-percent credit. During the eighth year, the business firm shall be entitled to a forty-percent credit. During the ninth and tenth years, the business firm shall be entitled to a twenty-percent credit.

#### C. Cash Grants.

Qualified business may be eligible for annual cash grants to be determined on a case by case basis by the County of Warren and Town of Front Royal during the negotiation process based on job creation and investment. A minimum of 10 full-time jobs paying at least 2.0 times the minimum wage, and 3 full-time jobs paying at least 2.0 times the minimum wage in the Downtown Front Royal Zone, and benefits as noted above and a minimum investment of \$10,000 and \$3,000 for Downtown Front Royal Zone businesses shall be required to be eligible for cash grants.

(Ord. No. 13-09 Amended 12-21-09-Effective Upon Passage)

D. All Town benefits are limited to that portion of the business enterprise created and maintained for and qualified under this Technology Zone program.

### 75-62 TECHNOLOGY ZONE - ZONES

Three (3) distinct Technology Zones are included herein as follows:

(Ord. No. 09-04 Amended 7-12-04-Effective Upon Passage)

**Happy Creek Zone:** This zone generally focuses on the Happy Creek Industrial Park and the northern portion of the Human Life International Site. These lands are zone I-2, Industrial Employment District. Technology-based businesses with a manufacturing component are encouraged to locate in this zone, consistent with the provisions of the I-2 Industrial Employment District.

**Downtown Front Royal Zone:** This zone is located within the downtown area of Front Royal and is generally coincident with the C-2 Downtown Business District. Technology-based businesses with a service orientation are encouraged to locate in this zone. Ground level storefronts are strongly encouraged to be used for retail activities. Due to the inherent size and capacity limitations of a downtown technology business, qualification thresholds for total investment requirement will be reduced from \$10,000 to \$3,000, and total full-time jobs created at two times the minimum wage rate will be reduced from 10 to 3 in this Zone.

(Ord. No. 13-09 Amended 12-21-09-Effective Upon Passage)

**Avtex Area Zone:** This zone is located at and surrounding the office building of the former Avtex industrial site on Kendrick Lane. These lands are zoned I-2, Industrial Employment District. Technology-based businesses, either with a service orientation or with a manufacturing

component, consistent with the purposes and intents of the I-2 Industrial Employment District, are encouraged to locate in this zone. (Ord. No. 09-04 Added 7-12-04-Effective Upon Passage)

The boundaries of the zones are set forth on the maps attached to this ordinance upon passage and which hereafter shall be maintained by the Clerk of the Town Council.

(Ord. No. 09-04 Amended Last Paragraph 7-12-04-Effective Upon Passage)

### **75-63 TECHNOLOGY ZONE - MASTER AGREEMENT**

Each qualified business applying for benefits in the Technology Zone program will execute a contract with the Economic Development Authority and the Town of Front Royal that will detail the specific terms and conditions of the firm's participation in the program. This contract must be fully executed prior to award of any program benefits.

### **DOWNTOWN SERVICE DISTRICT**

(Adopted 5-10-99)

### **75-64 DOWNTOWN SERVICE DISTRICT CREATED**

Pursuant to the provisions of 15.2-2400, et seq., Code of Virginia (1950), as amended, a downtown service district is hereby designated and created for the purposes set forth in Section 75-67 of this Code to be named as the "Downtown Service District".

### **75-65 DOWNTOWN SERVICE DISTRICT - ADDITIONAL TAX IMPOSED**

To provide for additional governmental services not being offered uniformly throughout the Town, there is hereby levied uniformly throughout the Town, there is hereby levied a tax twelve cents (\$0.12) for every one hundred dollars (\$100.00) of assessed value of real property and improvements located in the downtown service district as defined by Section 75-66 in addition to that tax imposed on real estate within the Town generally. Valuation and assessment of real property, timing with respect to valuation, assessment and payment, penalties and interest on delinquencies, assessment of new construction, and all other procedures for and details of administration and collection of the tax imposed by this Article shall be the same as provided for by this Code for real estate taxes generally.

### **75-66 DOWNTOWN SERVICE DISTRICT DEFINED**

A. The boundaries of the Downtown Service District shall be defined as follow: Beginning at the point where Main Street crosses over Happy Creek and continuing south along the center line of Happy Creek to its intersection with Stonewall Drive, thence continuing west along the center line of Stonewall Drive until the intersection with Jackson Street, thence west along the center line of Jackson Street to its intersection with the alley running north-south between Church Street, and Cloud Street thence south along the center line of the alley to the back property line of the parcel located on the southeast corner of Jackson and Church Streets, thence running in a westerly direction along the back property line of said parcel running generally parallel to Jackson Street to its intersection with Church Street, thence south along the center line of Church Street to its intersection with Stonewall Drive, thence west along the center line of Stonewall

Drive to the east property line of the parcel fronting on Royal Avenue, thence south along the eastern property line of the parcels fronting on Royal Avenue to the intersection with Prospect Street, thence west along the center line of Prospect Street to its intersection with Royal Avenue thence in a northerly direction along the center line of S. Royal Avenue to the edge of the southern property line for the parcel identified as lot 105 on Tax Map 20A7, Double Circle 4, thence in a westerly direction along the parcel's southern boundary until its intersection with the alley that runs north/south between Royal Avenue and Lee Street, thence in a northerly direction along the center line of the alleyway to its intersection with Stonewall Drive, thence westerly along the center line of Stonewall Drive to its intersection with Lee Street, thence northerly along the center line of Lee Street to its intersection with the southern boundary of those parcels fronting on the south side of Jackson Street, thence along the southern boundary of those parcels fronting on the south side of Jackson Street to the intersection with the alleyway running north-south between Royal Avenue and Lee Street, thence northerly in the center line of the alley to the intersection with Jackson Street, thence westerly along the center line of Jackson Street to its intersection with Lee Street, thence northerly along the center line of Lee Street to its intersection with the northern boundaries of those parcels fronting on the north side of Jackson Street, thence in an easterly direction along the northern boundary of those properties fronting on the north side of Jackson Street to its intersection with the north-south alley located between Royal Avenue and Lee Street, thence north in the center line of the alleyway to the intersection with W. Main Street, thence easterly with the center line of W. Main Street to its intersection with Royal Avenue, thence north in the center line of Royal Avenue to the northwest corner of the parcel fronting on the north side of 2nd Street, thence in an easterly direction running generally parallel to 2nd Street along the back property line of the property fronting on the north side of 2nd Street to its intersection with Chester Street, thence south along the center line of Chester Street to its intersection with 2nd and Union Streets, thence southwest along the center line of Union Street to its intersection with the northeast corner of those properties fronting on North Royal Avenue, thence southeasterly along the eastern boundary of those properties fronting on N. Royal Avenue until the point of intersection with Crescent Street, thence southerly with the center line of Crescent Street to the intersection of the northern boundary of the property located on the northwest corner of the parcel fronting on the north side of Peyton Street, thence in an easterly direction running generally parallel to Peyton Street along the back property line of the property fronting on the north side of Peyton Street to its intersection with Chester Street, thence south along the center line of Chester Street to its intersection with Laura Virginia Hale Place, thence easterly along the center line of Laura Virginia Hale Place to the point of the intersection with the western property line of the parcel located on the west side of Commerce Avenue north of Laura Virginia Hale Place, thence in a northerly direction along the western boundary of said property to its northwest corner, thence in an easterly direction along said properties north border to its intersection with the western right-of-way of Commerce Avenue, thence in a southerly direction along the western right-of-way of Commerce Avenue to its intersection of Laura Virginia Hale Place and Water Street, thence along the center line of Water Street in a southerly direction to its intersection with the southwest corner of the northern most parcel with frontage on both Water Street and Commerce Avenue, thence along the southern boundary of this parcel to the western right-of-way of Commerce Avenue, thence along the western right-Creek to its intersection with Main Street and the point of beginning.



B. References to street names set out in subsection (A) of this section are based upon and fully shown on a Map, dated March 22, 1999, entitled "Downtown Service District, Front Royal, Virginia", a copy of which is on file and available for public inspection in the Office of the Clerk of Council, Town Hall, 16 N. Royal Avenue, Front Royal, Virginia 22630.

C. Public utility facilities in or above the public right-of-way, such as poles, lights, wire, cable, conduit, and piping shall not be included within the downtown service district or subject to the tax imposed by this Article.

D. All parcels of land that are bisected by the downtown service district boundaries, as set out in subsection (A) of this section, are to be considered wholly included within the boundaries of said district.

E. All real property located within the downtown service district as set out in subsection (A) of this section, used exclusively as a single family detached residence, and such other real property otherwise exempt from the payment of real estate taxes, shall not be subject to the tax imposed by this Article.

#### **75-67 DOWNTOWN SERVICE DISTRICT - PURPOSES OF TAX AND FACILITIES AND SERVICES PROPOSED**

A. Taxes collected pursuant to this Article shall be levied for and used to provide additional governmental services not being offered uniformly throughout the entire town, including, but not limited to, economic and business development and promotional activities intended to foster business retention; business recruitment and developer recruitment; physical improvements to public facilities which are unique to downtown; planning for the development and acquisition of public spaces needed for downtown; and those public improvements enumerated in Section 15.2-2403, Code of Virginia (1950), as amended.

B. Taxes collected pursuant to this Article shall be segregated so as to enable the same to be expanded only in the downtown service district in which raised.

#### **75-68 DOWNTOWN SERVICE DISTRICT - PROPOSED PLAN FOR PROVIDING FACILITIES AND SERVICES**

Provision for the adoption of an annual budget for the facilities and services proposed by this Ordinance shall be by the action of the Front Royal Town Council following such recommendations as may be offered by the Downtown Business Association, and any property owner subject to the tax imposed herein, working in four (4) primary areas: design, promotion, economic development, and organization. Town Council, upon recommendation by the Downtown Business Association, its membership and any property owner subject to the tax imposed herein, will provide, as permitted by this ordinance, physical improvements to the district, promotion and advertising of the district and its businesses, compilation of market data, an organizational structure for a unified effort to sustain and revitalize the district, and other projects of a similar nature. When receiving the recommendations and advice of the Downtown Business Association, the Town Council shall consider whether, prior to adoption of their budget

recommendations to the Town Council, the Downtown Business Association mailed, at least fifteen (15) days in advance of business owner located within the District's boundaries of the date, time and place of the Downtown Business Association meeting.

#### **75-69 DOWNTOWN SERVICE DISTRICT - BENEFITS WHICH CAN BE EXPECTED**

Increased market traffic downtown, the recruitment of new businesses and the expansion of existing businesses, increased profitability of district businesses, increased market awareness, increased property values, and increased community allegiance to the downtown district can be expected by the provision of the facilities and services proposed by this Ordinance.

#### **75-70 DOWNTOWN SERVICE DISTRICT - OTHER POWERS AND DUTIES**

The Town shall have all those powers and duties with respect to a downtown service district as set forth in Section 15.2-2403 Code of Virginia (1950), as amended, including the power to contract with any person, firm, or corporation to provide additional governmental services in such district.

A. The tax program authorized by this ordinance on downtown revitalization and development shall expire on June 30, 2005, with the exception that all delinquent taxes owed to the Town as a result of said tax program shall continue to be due to, and collectable by, the Town and that all applicable penalties and interest shall apply.

**(Ord. No. 2-02 Amended 12-17-01-Effective Upon Passage)**

B. This ordinance shall be in full force and effect on and after July 1, 1999.

C. Prior to the expiration of the tax program authorized by this ordinance, with said date being no later than September 1, 2004, Town Council shall initiate a review of the downtown service district created by this ordinance. Such review shall consider the recommendations of the Downtown Business Association, and any property owner subject to the tax imposed herein, and based upon the findings of said review, the Council shall decide whether to continue the program. If extended, Council shall then establish the appropriate rate of taxation, which rate shall in no event exceed that rate set for the then current real estate tax rate in the Town of Front Royal generally or twelve cents (\$.12) per hundred dollars assessed value, whichever is the higher rate; unless the Council shall receive a petition, from two-thirds (2/3) of the property owners subject to the tax and/or licensed business owners whose situs for license purposes is on the property rented or leased in the service district, requesting that a higher rate be set.

**(Ord. No. 2-02 Amended 12-17-01-Effective Upon Passage)**

#### **75-71 DOWNTOWN SERVICE DISTRICT - SEVERABILITY**

Severability is intended throughout and within the provisions of this Article. If any provision, including any period, part, phrase, or term, or the application thereof to any person or circumstance is held invalid, the application to other persons or circumstances shall not be affected thereby and validity of this Article in any and all other respects shall not be affected thereby.

#### **75-72 DOWNTOWN SERVICE DISTRICT - PARTIAL YEAR TRANSITION**

During the 1999 tax year, assessment will be that determined on January 1, 1999, but the tax will be calculated for only a half years tax, from July1, 1999 to December 31, 1999, and for a full year thereafter. The tax for the 1999 tax year will be due on December 5, 1999, at the same time as all other real estate taxes.

#### **75-73 ELECTRIC CONSUMERS TAX (Adopted 10-30-00)**

##### A. Definitions

Consumer means every person who, individually or through agents, employees, officers, representative or permittees, makes a taxable purchase of electricity in this jurisdiction.

Kilowatt hours (kWh) delivered means 1000 watts of electricity delivered in a one-hour period by an electric provider to an actual consumer, except that in the case of eligible customer-generators (sometimes called co generators) as defined in Virginia Code Section 56-594, it means kWh supplied from the electric grid to such customer-generators, minus the kWh generated and fed back to the electric grid by such customer-generators.

Person means any individual, corporation, company or other entity.

Residential consumer means the owner or tenant of property used primarily for residential purposes, including but not limited to, apartment houses and other multiple-family dwellings.

Service provider means the person who delivers electricity to a consumer.

Used primarily relates to the larger portion of the use for which electric utility service is furnished.

##### B. Electric Utility Consumers Tax

1. In accordance with Virginia Code Section 58.1-3814, effective January 1, 2001, 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:

a. Residential consumers: such tax shall be \$0.00 plus the rate of \$0.003 on each kWh delivered to residential consumers by a service provider, not to exceed \$3.00 monthly.

b. Non-residential consumers: such tax on non- residential consumers shall be at the rates per month for the classes of non-residential consumers as set forth below:

- i. Commercial consumers – such tax shall be \$0.00 plus the rate of \$0.00 on each kWh delivered monthly to commercial consumers not to exceed \$3.00 monthly.
- ii. Industrial consumers – such tax shall be \$0.00 plus the rate of \$0.00 on each kWh delivered monthly to industrial consumers, not to exceed \$3.00 monthly.

c. The conversion of tax pursuant to this ordinance to monthly kWh delivered shall not be effective before the first meter reading after December 31, 2000, prior to which time the tax previously imposed by this jurisdiction shall be in effect.

2. Exemptions: The following consumers of electricity are exempt from the tax imposed by this ordinance.

- a. Any public safety agency as defined in Virginia Code Section 58.1-3813.
- b. The United States of America, the Commonwealth and the political subdivisions thereof, including this jurisdiction.

3. 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 Virginia Code Section 58.1-3814, paragraphs F. and G., and Virginia Code Section 58.1-2901. If any consumer receives and pays for electricity but refuses to pay the tax imposed by this section, the service provider shall notify this jurisdiction 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 this jurisdiction.

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.

4. Computation of bills not on monthly basis. Bills shall be considered as monthly bills for the purposes of this ordinance if submitted 12 times per year of approximately one month each. Accordingly, the tax for a bi-monthly bill (approximately 60 days) shall be determined as follows: (i) the kWh will be divided by 2; (ii) a monthly tax will be calculated using the rates set forth above; (iii) the tax determined by (ii) shall be multiplied by 2; (iv) the tax in (iii) may not exceed twice the monthly "maximum tax".

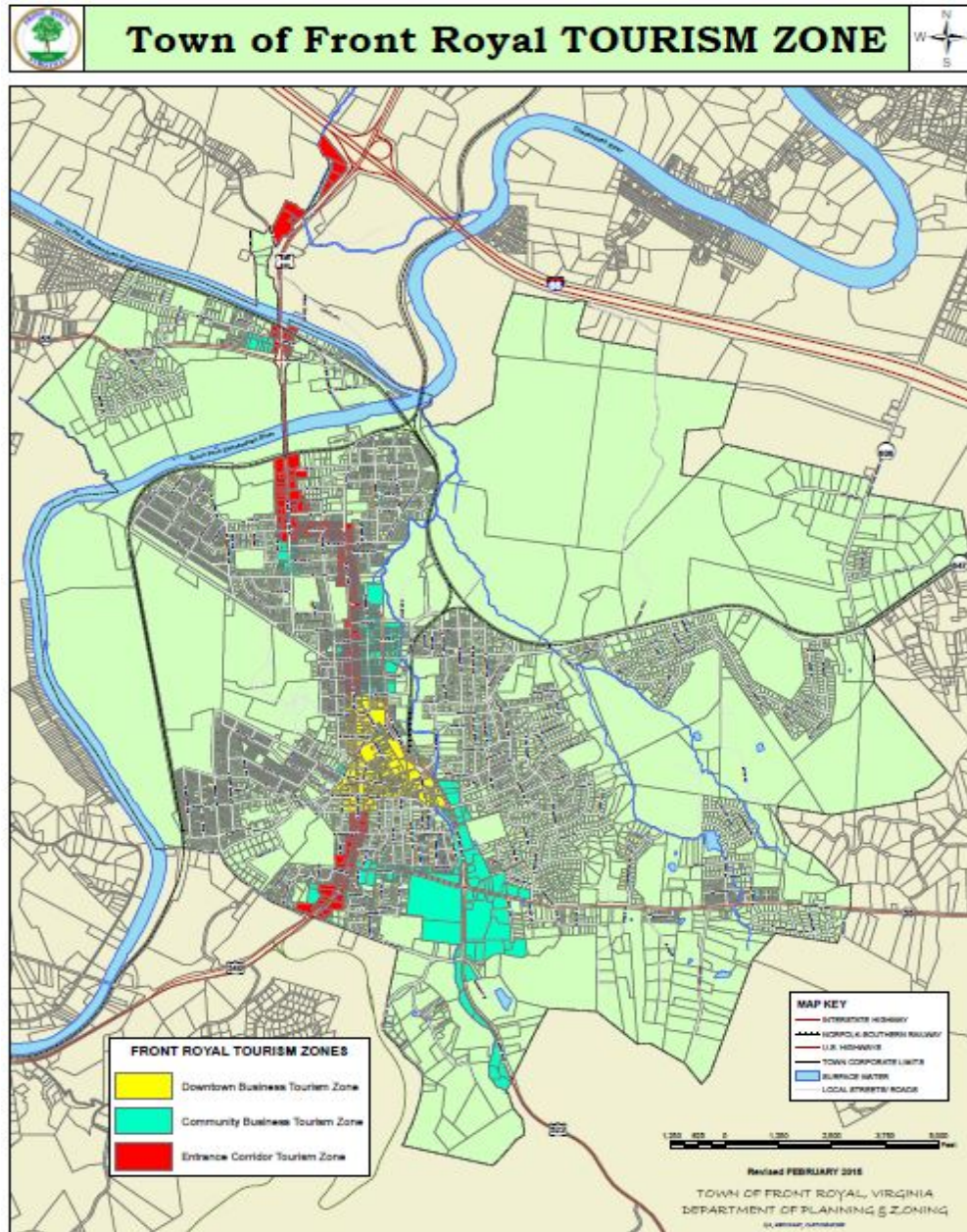
A. PURPOSE. The purpose for creating tourism zones is to encourage certain types of business growth in the Town that will attract visitors to the Town, increase tax revenue, and enhance the general welfare of Town citizens. Virginia Code §58.1-3851 grants the Town with the legal authority to establish tourism zones and grant tax incentives and regulatory flexibility therein.

B. ESTABLISHMENT OF TOURISM ZONES.

1. Downtown Business Tourism (DBT) Zone Created. There is hereby established the “Downtown Business Tourism Zone,” consisting of all the area designated as such on the map entitled “Town of Front Royal Tourism Zone,” dated February 2015, attached hereto and incorporated herein. The intent of the Downtown Business Tourism Zone is to achieve the overall purpose of Section 75-74.A. by encouraging business growth and housing that enhances the unique character and assets of the downtown area.

2. Entrance Corridor Tourism (ECT) Zone Created. There is hereby established the “Entrance Corridor Tourism Zone,” consisting of all the area designated as such on the map entitled “Town of Front Royal Tourism Zone,” dated February 2015, attached hereto and incorporated herein. The intent of the Entrance Corridor Tourism Zone is to achieve the overall purpose of Section 75-74.A. by encouraging business growth that enhances the unique character and assets of the entrance corridor area.

5. Community Business Tourism (CBT) Zone Created. There is hereby established the “Community Business Tourism Zone,” consisting of all the area designated as such on the map entitled “Town of Front Royal Tourism Zone,” dated February 2015, attached hereto and incorporated herein. The intent of the Community Business Tourism Zone is to achieve the overall purpose of Section 75-74.A. by encouraging general business growth in the Town of Front Royal that supports tourism.



### C. ELIGIBILITY REQUIREMENTS.

1. **ELIGIBLE USES BY TOURISM ZONE.** The following land uses, as categorized within by each tourism zone, are eligible to receive the tourism zone incentives of Section 75-74.D., subject to compliance with all other code requirements of the Town Code.

TABLE 75-74.C.1.

SPECIFIC TOURISM ZONE	ELIGIBLE TYPE OF LAND USES
<u>Downtown Business Tourism (DBT)</u>	Retail Dining Lodging Entertainment* Culture & Arts Personal Services & Offices Condominiums**
<u>Entrance Corridor Tourism (ECT)</u>	Retail Dining Lodging Entertainment* Culture & Arts
<u>Community Business Tourism (CBT)</u>	Retail Dining Lodging Entertainment* Personal Services & Offices

\*Including both outdoor and indoor uses, but excluding adult entertainment uses.

\*\* Excluding such uses that are located on the ground level.

2. INVESTMENT CRITERIA. Eligible land uses, as specified under Section 75-74.C.1, shown above, are eligible to receive the tourism zone incentives of Section 75-74.D., shown below, only if all of the following criteria is met.

- a. A minimum new capital investment of \$25,000.
- b. A minimum creation of one new (1) job.
- c. Conformance with the Town's Comprehensive Plan.
- d. Compliance with the Town Code.

#### D. INCENTIVES.

1. BPOL Tax Incentive. BPOL Tax may be reduced for eligible land uses that meet the investment criteria, as specified under 75-74.C.2.

- a. Eligible land uses shall be categorized into one of the following three (3) tier groups, depending on the amount of capital investment and quantity of jobs created.

TABLE 75-74.D.1.a.

Tier Group	Capital Investment	Jobs Created
Tier 1	\$10,000 - \$99,999	1-3
Tier 2	\$100,000 - \$499,999	4-10
Tier 3	\$500,000 or more	11 or more

b. The following table illustrates the duration that eligible land uses may receive BPOL tax reduction, based on the tier group they qualify for.

TABLE 75-74.D.1.b.

YE R	1	2	3	4	5	6	7	8	9	10	11 +
Tier 1	✓	✓	✓	✓	X	X	X	X	X	X	X
Tier 2	✓	✓	✓	✓	✓	✓	✓	X	X	X	X
Tier 3	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X

Note: X = not eligible; ✓ = Eligible.

c. Eligible land uses may receive up to 100% BPOL tax reduction for the number of specified years they qualify for under Table 75-74.D.1.b.

d. BPOL tax reduction is based on the estimated increase in BPOL tax, as calculated from estimated increased revenue after the proposed investment. BPOL tax reduction shall not apply to existing BPOL tax prior to the specific investment.

2. Permit Fee Incentive. All eligible land uses may receive up to 100% reduction in permit fees with the Town of Front Royal.

3. Tap Fee Incentive. Eligible commercial land uses may be allowed to make payment of required tap fees over a period of time that does not exceed ten (10) years, without interest or fees, subject to a lien on the property, or other guarantee, for the specified time period. Eligible residential land uses may be allowed to delay payment of required tap fees at a point of time agreeable to the Town of Front Royal, but before all dwelling units are occupied, subject to a lien on the property, or other guarantee, for the specific time period.



## E. ADMINISTRATION AND INTERPRETATION

1. The Town Manager, or designee, is authorized to administer tourism zones.
2. Interpretations of this section shall be determined by the Town Manager, after consultation with the Town Attorney.
3. All eligible businesses must submit an application for tourism zone incentives to the Town Manager's Office.
4. The Town Manager, or designee, shall draft a performance agreement for applicants that qualify for incentives. The performance agreement shall be reviewed by the Town Attorney, Director of Finance, Director of Planning & Zoning, or other departments, authorities, committees, commissions or agencies, as determined appropriate by the Town Manager.
5. Performance agreements shall specify all incentives that are to be authorized and may include conditions of approval, such as, but not limited to, requirements that the applicant maintain certain hours of operation, site improvement requirements, or reduction of incentives from their maximum levels authorized by this section.
6. Incentives are not authorized until a performance agreement is approved by Town Council, and nothing herein shall be interpreted to require or obligate the Town to approving any incentives until a performance agreement is approved by Town Council.
7. Town Council may revoke, reduce, or suspend incentives after approval of the performance agreement if the conditions, or other terms, of the performance agreement are not complied with.

(Added Entire Section 3-23-15-Effective Upon Passage)

**75-75 HISTORIC DISTRICT INCENTIVES FOR REHABILITATION**

- A. A partial exemption of real estate taxes for a period of ten (10) years shall be provided for the substantial rehabilitation of any structure [fifty (50) years or older] within a designated historic resource overlay area or to a structure which is listed on the National Register of Historic Places. For the purposes herein, substantial rehabilitation shall involve an investment of at least forty percent (40%) of the pre-rehabilitated assessed value of the structure.
- B. The partial exemption shall be equal to the increase in assessed value resulting from the rehabilitation. Rehabilitations cannot replace the original structure. Increases in total square footage may be permitted up to a maximum of fifty (50%) percent of the original structure.
- C. The exemption shall commence on January 1 of the year following completion of the rehabilitation and shall run with the real estate for a period of ten (10) years. An increase in an assessment occurring after the first year of the exemption shall not result in an increase in the exemption.

D. No property shall be eligible for such exemption unless the appropriate certificate of appropriateness and building permits have been acquired and the Zoning Administrator and Commissioner of the Revenue have verified that the rehabilitation indicated on the application has been completed. Such rehabilitation shall be completed within two (2) years of issuance of the building permit for the work, except that the deadline for completion may be extended for up to two (2) additional years if the Zoning Administrator determines that reasonable progress has been made towards completion of the project.

**(Ord. No. Z-1-93 Amended Title/Added "A-D" 3-22-93 (175-97)-Effective Upon Passage)**

**(Ord. No. Z-3-97 Amended "A, B, D" 10-27-97 (175-97)-Effective Upon Passage)**

**(Moved Content for this Chapter from 175-97 on 3-23-15)**