THE CITY OF LYNCHBURG

CITY COUNCIL WORK SESSION

Tuesday, June 10, 2025 | 4:00 PM
2nd Floor Conference Room- City Hall
900 Church Street
Lynchburg, VA 24504

AGENDA

I. Welcome — *Larry Taylor, Mayor*

II. Work Session Agenda Overview — *Wynter C. Benda, City Manager*

III. Work Session Agenda Items — *Wynter C. Benda, City Manager*

- **III.1.** FY 2026 Budget Work Session

IV. Business Item Briefing(s)

V. Roll Call

- **V.2.** Discuss the Multiple Public-Facing Video Copies of the Defamation of a Lynchburg Citizen Currently Posted on City Media Channels. (Vice Mayor Diemer)

VI. Closed Session

THE CITY OF
LYNCHBURG

WHAT IS PPTRA?

- Personal Property Tax Relief Act of 1998
- **<u>Qualifies for Relief</u>:** A passenger car, motorcycle, pickup truck or panel truck owned by an individual, up to a certain weight
- **<u>Does not Qualify for Relief</u>**: Motor homes, trailers, boats and farm use vehicles; or any vehicle used for business purposes more than 50% of the time for individuals; and no commercial vehicles.

WHAT IS THE PPTRA RELIEF FORMULA?

In Lynchburg (varies across the state):

- The current tax rate is 3.8%, which amounts to $3.80 per every $100 of assessed value
- A 100% tax relief on the first $1,000 of the vehicle's value
- In 2026, a 30.64% tax relief on the vehicle’s value from $1,001 to $20,000
- No tax relief for the portion of a vehicle's assessed value over $20,000

EXAMPLE OF CURRENT TAX STRUCTURE ($3.80)

Value of Vehicle	Total Tax	Local Tax Relief	PPTRA Tax Relief on $20,000 value (30.64%)	Tax Amount Paid After PPTRA	Tax Above $20,000 value	Tax Amount Paid Above $20,000	Amount Citizen Pays
$1000	$38	100%	$0	$0	$0	$0	**$0**
$20,000	$760	0%	$232.86	$527.14	$0	$0	**$527.14**
$30,000	$1140	0%	$232.86	$527.14	100%	$380	**$907.14**
$40,000	$1520	0%	$232.86	$527.14	100%	$760	**$1,287.14**

PPTRA RELIEF FOR LOCALITIES

- Counties, cities, and towns are reimbursed by the Commonwealth for providing the required tangible personal property tax (PPTRA) relief (§ 58.1-3524)
- In 2006, the Commonwealth established that the State will pay a total of $950 million for each tax year in reimbursements to localities
- Reimbursement is based on the proportion of actual payments to a city based on the year 2005, compared to the actual payments of all counties, cities, and towns in Virginia in the same year
- The City of Lynchburg receives $5.5 million in PPTRA reimbursement for providing tax relief

PROPOSED TAX RELIEF FORMULA

- The tax rate would decrease from $3.80 to $1.30 per every $100 of assessed value
- 100% tax relief would increase from $1,000 of vehicle’s value to $20,000 of vehicle's value
- No tax relief for the portion of a vehicle's assessed value over $20,000
- The City would still be eligible for PPTRA reimbursement from the State in the amount of $5.5 million for providing tax relief

EXAMPLE OF PROPOSED TAX STRUCTURE ($1.30)

Value of Vehicle	Total Tax	Local Tax Relief	PPTRA Tax Relief on $20,000 value (30.64%)	Tax Amount Paid After PPTRA	Tax Above $20,000 value	Tax Amount paid Above $20,000	Proposed Amount Citizen Pays	Current Amount Citizen Pays
$1000	$38	100%	0	0	0	0	**$0**	**$0**
$20,000	$760	100%	0	0	0	0	**$0**	**$527.14**
$30,000	$1140	100% on $20,000	0	0	100%	$130	**$130**	**$907.14**
$40,000	$1520	100% on $20,000	0	0	100%	$260	**$260**	**$1,287.14**

Under the proposed tax structure, ~45,500 vehicles would incur $0 in taxes. Currently, ~5,500 vehicles incur $0 in taxes.

REVENUE

- The proposed changes to the Personal Property Tax rate will **reduce revenue by ~$14,000,000**.

Current Structure	Proposed Structure	Revenue +/-
$3.80 & $1,000 exempt	$1.30 & $20,000 exempt	
$22,000,000*	$8,000,000	- $14,000,000

* FY26 Proposed Revenue

HOW WILL THIS AFFECT REVENUE

- Increased revenue from adjusting the Real Property Rate, Lodging Rate, and Lodging Room Fee would allow for passing the budget as proposed.

	From	To	Change
Real Property:	$0.89	$1.025	+ $12,246,498
Lodging Tax:	6.5%	8.5%	+ $1,035,954
Lodging Fee:	$1	$3	+ $866,300

Total Revenue Adjustment: **$14,148,752**

RENTERS

- 50% of household units in the city are ***Renter Occupied***.
- 83% of Renter Occupied Households have at least 1 vehicle (owned or leased).
- The average vehicle, valued at $10,000, costs $264 year in PPT at the current rate.

# Vehicles	# Renter Households	% Renter Households	Annual Savings per Renter Household
0	2,569	17%	0
1	6,597	45%	$264
2	4,207	28%	$528
3	924	6%	$792
4	382	3%	$1056
5	147	1%	$1320+

Source: 2018-2022 Census American Community Survey

HOMEOWNERS

- 81 % of single-family residential properties are assessed below $300,000.
- 91.5% are assessed below $400,000.

Proposal	Rate	$0 -$100k	$100k-$200k	$200k-$300k	$300k-$400k
Original	$0.89	$890	$1,780	$2,670	$3,560
PPT Reduction	***$1.025***	***$1,025***	***$2,050***	***$3,075***	***$4,100***
Equalization - Flat	$0.767	$767	$1,534	$2,301	$3,068
Equalization – 2 Year	$0.808	$808	$1,616	$2,424	$3,232

HOMEOWNERS

$100,000 | $219,100 | $400,000

$10,000

Proposal	Rate	Home $100,000	Car 1 $10,000	Car 2 $10,000	Total
Original	$0.89	$890	$264	$264	$1,418
PPT Reduction	***$1.025***	***$1,025***	***$0***	***$0***	***$1,025***
Equalization - Flat	$0.767	$767	$264	$264	$1,295
Equalization – 2 Year	$0.808	$808	$264	$264	$1,336

$30,000

Proposal	Rate	Home $100,000	Car 1 $30,000	Car 2 $30,000	Total
Original	$0.89	$890	$907	$907	**$2,704**
PPT Reduction	***$1.025***	***$1,025***	***$130***	***$130***	***$1,285***
Equalization - Flat	$0.767	$767	$907	$907	**$2,581**
Equalization – 2 Year	$0.808	$808	$907	$907	**$2,622**

HOMEOWNERS

$100,000 | **$219,100** | $400,000

$10,000

Proposal	Rate	Home $219,100	Car 1 $10,000	Car 2 $10,000	Total
Original	$0.89	$1,950	$264	$264	$2,478
PPT Reduction	***$1.025***	***$2,246***	***$0***	***$0***	***$2,246***
Equalization - Flat	$0.767	$1,680	$264	$264	$2,208
Equalization – 2 Year	$0.808	$1,770	$264	$264	$2,298

$30,000

Proposal	Rate	Home $219,100	Car 1 $30,000	Car 2 $30,000	Total
Original	$0.89	$1,950	$907	$907	$3,764
PPT Reduction	***$1.025***	***$2,246***	***$130***	***$130***	***$2,506***
Equalization - Flat	$0.767	$1,680	$907	$907	$3,494
Equalization – 2 Year	$0.808	$1,770	$907	$907	$3,584

HOMEOWNERS

$100,000 | $219,100 | **$400,000**

$10,000

Proposal	Rate	Home $400,000	Car 1 $10,000	Car 2 $10,000	Total
Original	$0.89	$3,560	$264	$264	$4,088
PPT Reduction	***$1.025***	***$4,100***	***$0***	***$0***	***$4,100***
Equalization - Flat	$0.767	$3,068	$264	$264	$3,596
Equalization – 2 Year	$0.808	$3,232	$264	$264	$3,760

$30,000

Proposal	Rate	Home $400,000	Car 1 $30,000	Car 2 $30,000	Total
Original	$0.89	$3,560	$907	$907	$5,374
PPT Reduction	***$1.025***	***$4,100***	***$130***	***$130***	***$4,360***
Equalization - Flat	$0.767	$3,068	$907	$907	$4,882
Equalization – 2 Year	$0.808	$3,232	$907	$907	$5,046

OWNERS

- Average increase in real property tax: $9,650 annually
- Maximum increase in real property tax: $24,165 annually
- The combined % of taxes and fees per room booking increases from 7.11% to 10.33% for the average room rate of $164.

Real Property

Proposal	Rate	Median $7,250,000	Average $7,148,882
Original	$0.89	$64,525	$63,625
PPT Reduction	***$1.025***	***$74,313***	***$73,276***
Equalization - Flat	$0.767	$55,608	$54,832
Equalization – 2 Year	$0.808	$58,580	$57,763

Lodging

Rooms	Current Tax	Current Fee	Proposed Tax	Proposed Fee
1	$10.66	$1	$13.94	$3
50	$533	$50	$697	$150
100	$1,066	$100	$1,394	$300
150	$1,599	$150	$2,091	$450

7.11% @ Average $164 rate

10.33% @ Average $164 rate

FAMILY

- Properties: ~300
- Median: $812,250
- Average: $3,192,227

Proposal	Rate	Median $812,250	Average $3,192,227	Max $67,500,000
Original	$0.89	$7,229	$28,411	$600,750
PPT Reduction	***$1.025***	***$8,326***	***$32,720***	***$691,875***
Equalization - Flat	$0.767	$6,230	$24,484	$517,725
Equalization – 2 Year	$0.808	$6,563	$25,793	$545,400

COMMERCIAL

- Properties: ~2,275
- Median: $232,000
- Average: $825,000

Proposal	Rate	Median $232,000	Average $825,000	Max $47,000,000
Original	$0.89	$2,065	$7,350	$418,300
PPT Reduction	***$1.025***	***$2,378***	***$8,456***	***$481,750***
Equalization - Flat	$0.767	$1,779	$6,334	$360,490
Equalization – 2 Year	$0.808	$1,875	$6,672	$379,760

INDUSTRIAL

- Properties: ~450
- Median assessed value: $222,500
- Average assessed value: $1,151,930

Proposal	Rate	Median $222,500	Average $1,151,930	Max $27,000,000
Original	$0.89	$1,980	$10,252	$240,300
PPT Reduction	***$1.025***	***$2,281***	***$11,807***	***$276,750***
Equalization - Flat	$0.767	$1,707	$8,835	$207,090
Equalization – 2 Year	$0.808	$1,798	$9,308	$218,160

QUESTIONS

- How would the proposed real estate tax rate increase affect housing demand and home sales, compared to the equalization rate?
- What impact would the rate increase have on local economic growth, including jobs and construction, versus equalization?
- How might the rate increase lower home values, and how does this compare to equalization?
- How would reduced home values affect residents’ wealth, especially for low-income and minority homeowners, compared to equalization?
- How does eliminating the car tax and relying more on real estate taxes increase exposure to market fluctuations, and how does keeping the car tax with equalization help?

TAKE AWAYS

- Who benefits :
  - More residents of Lynchburg will benefit from a reduction in car tax than would benefit from a reduction in real estate tax.
  - Renters will benefit the most in the shorter term.
  - Homeowners, especially those who own more expensive vehicles and/or who own more vehicles.
- Who does not benefit:
  - Commercial property owners.
  - Hotel owners if both real estate and lodging taxes increase.
  - Multi-Family residential owners.

THE CITY OF
LYNCHBURG

City of Lynchburg, Virginia - Resolution No. 2025-1

A RESOLUTION DIRECTING CITY STAFF TO TAKE ALL LEGALLY PERMISSIBLE ACTIONS TO PROTECT THE RIGHTS AND DIGNITY OF MR. SHAWN HUNTER, INCLUDING THE REVIEW OF CITY-CONTROLLED DIGITAL CONTENT AND ENFORCEMENT OF COUNCIL RULES OF PROCEDURE

(Title for reference purposes only and subject to revision by City Council without affecting the substance or intent of this Resolution)

WHEREAS, on November 28, 2023, during a public meeting of the Lynchburg City Council, a citizen was permitted to deliver defamatory and personal remarks against Mr. Shawn Hunter; and

WHEREAS, the Lynchburg City Council Rules of Procedure, Section 5.3, states: "Speakers shall address Council with civility and respect. Personal attacks upon Council Members, staff, or other individuals shall be ruled out of order by the presiding officer," and this rule was not enforced during the meeting, resulting in serious reputational harm to Mr. Hunter; and

WHEREAS, on June 6, 2025, a Virginia Circuit Court confirmed the judgment in favor of Mr. Hunter, ruling that the statements made by Ms. Consuella Jordan were not true and constituted defamation under Virginia law, and awarded Mr. Hunter $50,000 in damages plus all court costs; and

WHEREAS, defamation under Virginia common law (Chapman v. Journal Concepts, Inc., 241 Va. 409 (2007); Gazette, Inc. v. Harris, 229 Va. 1 (1985)) consists of a false statement of fact, communicated to a third party, with fault amounting to at least negligence, and resulting in reputational harm; and

WHEREAS, this injury was compounded by the actions of City staff who focused the chamber video cameras on Mr. Hunter while the defamatory remarks were being made, heightening public visibility and emotional distress; and

WHEREAS, the defamatory content remains accessible across multiple official City-managed digital platforms, where its continued presence constitutes ongoing reputational damage; and

WHEREAS, the public exposure of the defamatory content was significant, as documented in official analytics provided to Council on June 4, 2025, showing:

- Facebook: 3,893 viewers, 14 shares
- YouTube: 319 views, no shares
- City's Website/CivicClerk: 608 views

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LYNCHBURG:

1. That City Council formally acknowledges that defamatory statements were made against Mr. Shawn Hunter during the November 28, 2023 Council meeting, that those statements violated Section 5.3 of the Rules of Procedure, and that a court of law has confirmed the falsity and unlawfulness of those statements on June 6, 2025, awarding Mr. Hunter $50,000 in damages plus costs;

2. That City staff are directed to take all legally permissible actions to protect Mr. Hunter's rights and dignity, including but not limited to:

- Reviewing all City-managed video and audio content of the November 28, 2023 meeting;
- Redacting or removing, where permitted by law, duplicative or non-essential postings that contain defamatory content or video focus on Mr. Hunter, while preserving the official meeting record;

- Adding disclaimers or annotations to any retained online versions that reflect the court's ruling and clarify the inaccuracy of the original remarks;

3. That Council further directs staff to propose updates to the Rules of Procedure, specifically:

- Strengthening enforcement procedures for presiding officers regarding personal attacks; and
- Establishing ethical standards for broadcast and camera control during public meetings;

4. That nothing in this Resolution shall authorize the deletion or alteration of the official record as required by law, but it affirms the City's duty to prevent continued use of City platforms to cause reputational harm;

5. That the City Manager shall report back to Council within 30 days of adoption with a summary of actions taken, any legal limitations encountered, and further recommendations to improve transparency and citizen protections in City proceedings.

Adopted this June 10, 2025.
Attest: City Clerk Alicia Finney
Sponsored by: Vice Mayor Curtis J. Diemer