AGENDA
JAMES CITY COUNTY BOARD OF SUPERVISORS
SPECIAL MEETING
COUNTY GOVERNMENT CENTER BOARD ROOM
101 MOUNTS BAY ROAD, WILLIAMSBURG, VA 23185
February 27, 2026
8:30 AM

A. CALL TO ORDER

B. ROLL CALL

C. PUBLIC HEARING(S)

1. Amendment to the Fiscal Year 2026 Adopted Budget to Provide a Tax Refund

D. CLOSED SESSION

E. ADJOURNMENT

1. Adjourn until 5 pm on March 10, 2026 for the Regular Meeting

M E M O R A N D U M

DATE: February 27, 2026

TO: The Board of Supervisors

FROM: Sharon B. McCarthy, Director of Financial and Management Services

SUBJECT: Amendment to the Fiscal Year 2026 Adopted Budget to Provide a Tax Refund

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The *Code of Virginia*, § 15.2-2507 requires a public hearing when amendments to the budget to adjust the aggregate amount to be appropriated exceed 1% of total expenditures, which for Fiscal Year (FY) 2026 totals $3,904,867. The public hearing is to consider an amendment to the FY2026 Adopted Budget for the use of the General Fund's Unassigned Fund Balance to provide a tax refund to a taxpayer.

In 2021, a commercial taxpayer in James City County appealed to the State Tax Commissioner, asserting that the County's Commissioner of the Revenue classified certain property as business tangible personal property that should have been classified as real estate for tax years 2017 through 2020 and the Commissioner of the Revenue invoiced certain business tangible personal property at incorrect amounts or in periods for property the taxpayer no longer owned. The Commissioner of the Revenue continued to bill the taxpayer for business tangible personal property while awaiting the results of the appeal.

In 2024, the State Tax Commissioner agreed with the taxpayer and ordered the County to refund the business tangible personal property tax paid by the taxpayer from 2017 through 2024. The *Code of Virginia*, § 58.1-3916, requires that tax refunds include interest at the same rate charged by the locality.

The attached resolution amends the FY2026 Adopted Budget to appropriate the use of an amount up to, but not to exceed, $16,000,000 of the County's General Fund Unassigned Fund Balance to provide the related tax refund to this taxpayer and authorizes the payment of this refund.

Regarding the change in classification of certain property owned by the taxpayer, the County procured the services of a vendor to assess this property as real estate. Supplemental real estate assessments were calculated for prior tax years, and the property will be assessed as real estate going forward.

Staff recommends approval of the attached resolution.

SBM/ap
TaxpyrRef26-mem

Attachment

R E S O L U T I O N

AMENDMENT TO THE FISCAL YEAR 2026 ADOPTED BUDGET

TO PROVIDE A TAX REFUND

WHEREAS, a commercial taxpayer in James City County appealed to the State Tax Commissioner in 2021, asserting that the County's Commissioner of the Revenue classified certain property as business tangible personal property that should have been classified as real estate for tax years 2017 through 2020 and the Commissioner of the Revenue invoiced certain business tangible personal property at incorrect amounts or in periods for property the taxpayer no longer owned; and

WHEREAS, the County's Commissioner of the Revenue continued to bill the taxpayer for business tangible personal property while awaiting the results of the appeal; and

WHEREAS, the State Tax Commissioner agreed with the taxpayer in 2024 and ordered the County to refund the business tangible personal property tax paid by the taxpayer from 2017 through 2024; and

WHEREAS, the *Code of Virginia*, § 58.1-3916, requires that tax refunds include interest at the same rate charged by the locality.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of James City County, Virginia, hereby authorizes the following appropriation of an amount up to, but not to exceed, $16,000,000 of the County's General Fund Unassigned Fund Balance to provide the related tax refund to the taxpayer and authorizes the payment of that refund.

General Fund - Funding Source:	
Unassigned Fund Balance (or actual refund amount, whichever is less)	$16,000,000

General Fund - Funding Uses:	
Refund to Taxpayer (or actual refund amount, whichever is less)	$16,000,000

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John J. McGlennon
Chair, Board of Supervisors

ATTEST:

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Teresa J. Saeed
Deputy Clerk to the Board

	VOTES AYE	NAY	ABSTAIN	ABSENT
WAINWRIGHT	____	____	____	____
NULL	____	____	____	____
ICENHOUR	____	____	____	____
LARSON	____	____	____	____
MCGLENNON	____	____	____	____

Adopted by the Board of Supervisors of James City County, Virginia, this 27th day of February, 2026.

TaxpyrRef26-res