

SUPERVISOR'S ORDER BOOK 12 PAGES 351 & 352

NOVEMBER 3, 1980

AN ORDINANCE ADOPTING A BANK FRANCHISE TAX
PURSUANT TO TITLE 58, CHAPTER 10.01, CODE
OF VIRGINIA, AS AMENDED

Upon motion, the following ordinance was duly passed by the Board.

WHEREAS, the General Assembly of Virginia has adopted a bill signed into law by the Governor, amending the Code of Virginia to provide for a bank franchise tax to be imposed by cities, incorporated towns, and counties of the Commonwealth, pursuant to the provisions of Chapter 10.01 of Title 58 of the Code of Virginia, as amended, and

WHEREAS, the adoption of said bank franchise tax is found to be in the best interests of Russell County, Virginia, and the citizens thereof, it is

HEREBY ORDAINED by the Board of Supervisors of Russell County, Virginia, as follows:

1. Any prior ordinance of Russell County, Virginia, imposing a tax on the value of shares of stock in any bank located in the County is repealed.

2. For the purposes of this ordinance:

(a) The word "bank" shall be defined in the same manner set forth in Section 58-485.01 of the Code of Virginia, as amended.

(b) The term "bank holding company" shall be defined in the same manner set forth in Section 58-485.02 of the Code of Virginia, as amended.

(c) "Net capital" shall be computed in the same manner set forth in Section 58-485.07, of the Code of Virginia, as amended.

3. There is hereby imposed upon each bank located outside the corporate limits of any incorporated town but otherwise within the boundaries of Russell County, Virginia, a tax in the amount of eighty (80) per centum of the state rate of taxation for each one hundred dollars of the net capital of any such bank, as the state rate of taxation is determined in accordance with Title 58, Chapter 10.01, Code of Virginia, as amended, and elsewhere in said Code. If any such bank also has offices that are located outside Russell County, Virginia, or within the corporate limits of any incorporated town therein, the tax imposed herein upon such bank shall be apportioned as provided in Section 58-485.012 of the Code of Virginia, as amended.

4. Each bank upon which the tax described herein is imposed, shall as of the first day of January of each year prepare and file a return and other items, and maintain such records, as required by Sections 58-485.012, 58-485.013, and 58-485.014 of the Code of Virginia, as amended. The Commissioner of the Revenue shall certify a copy of a bank's return and schedules and shall transmit such certified copy to the Department of Taxation, as required by Section 58-485.013 of the Code of Virginia, as amended. Each bank, on or before the first day of June of each year, shall pay into the Treasurer's Office of Russell County, Virginia, all taxes assessed by this ordinance.

5. The tax liability of a bank as imposed by this ordinance for the remainder of tax year 1980, and tax years 1981, or 1982, shall not be less than the amount of the tax imposed and payable to Russell County, Virginia, by any ordinance referred to in numbered Paragraph herein for the tax year 1979.

6. This ordinance shall be effective upon its adoption by the Board of Supervisors of Russell County, Virginia, and shall be applicable for the remainder of tax year 1980 and tax years 1981 and 1982 and shall expire December 31, 1982. The tax hereby imposed shall be assessed and collected for the tax years 1980, 1981, and 1982.

7. Any bank which shall fail or neglect to comply with any provision of this ordinance shall be fined not less than \$100.00 nor more than \$500.00, which fine shall be recovered upon motion, after five days notice, in the Circuit Court of Russell County, Virginia. The motion shall be in the name of the Commonwealth and presented by the attorney for the Commonwealth of Russell County.

8. When the affairs of any bank are being wound up under Sections 6.1-100 and 6.1-102 of the Code of Virginia, as amended, or the comparable sections of the National Banking Act, such bank will not be subject to tax under this ordinance, except as provided in this numbered paragraph. Returns of such assets on January 1 of each year shall be made by those having custody or control thereof. If any surplus shall remain after payment of all creditors and depositors, the liquidating officer shall ascertain the net capital of such bank, just prior to each year-end during the period of liquidation and cause to be paid an appropriate tax thereon before any distribution of any such surplus, but any such tax on the bank, even though paid late, shall not be subject to penalty.

9. In the event the provisions of this ordinance or of Title 58, Chapter 10.01, Code of Virginia, as amended, are held unconstitutional for tax year 1980, then the provisions repealing any previous ordinance imposing a tax on the value of shares of stock

in a bank located in Russell County, Virginia, shall not be effective until on and after January 1, 1981.

10. If any clause, sentence, paragraph, subdivision, section or part of this ordinance shall be adjudged by any court of competent jurisdiction to be invalid, the judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved or affected in the controversy in which the judgment shall have been rendered.

VOTE WAS AS FOLLOWS:

AYE: Danny Brown, Harold Mitchell & J. L. Porter

ABSTAIN: Dr. Roy R. Smith