

MEMORANDUM

DATE: November 27, 2001
TO: The Board of Supervisors
FROM: John E. McDonald, Manager of Financial and Management Services
SUBJECT: Real Estate Tax Increase

In accordance with Section 58.1-3321 of the Code of Virginia, staff has advertised a public hearing on the results of the recent County reassessment. Under the provisions of the Code, if the results of a reassessment increase the amount of tax revenue by more than one percent, then the results must be advertised as a real estate tax increase and a public hearing held inviting comment. The recent reassessment resulted in a projected increase in tax revenue of 3.06 percent.

The Board of Supervisors adopted a budget for FY 2002 that included a projected increase in real property collections of 7.5 percent. That action was silent on what part of that total increase would result from a reassessment and what part would result from new property subdivisions or new construction. The recent landbook actually increased the value of taxable real estate by \$390,132,200 or 8.38 percent. That is made up of a reassessment increase of 3.06 percent and an increase due to improvements of 5.32 percent.

Recent forecasts of real estate tax collections for the current fiscal year indicate that the County will probably generate an additional \$700,000, or 1.7 percent more than the \$41,387,500 currently budgeted.

No resolution is attached. The Board is invited to provide guidance on the results of the actual landbook, and comments at this public hearing as well as at its budget work sessions beginning on December 1, 2001.

John E. McDonald

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