

**BUDGET SUMMARY**

	FY 99 Budget	FY 00 Adopted Plan	FY 00 Adopted
Real Estate	\$ 32,118,120	\$ 34,366,388	\$ 37,509,102
Personal Property	11,189,669	12,084,843	8,102,469
Personal Property – Mobile Homes	68,921	68,232	56,300
Personal Property – Machinery	4,724,471	4,818,961	4,705,600
Public Service	1,190,168	1,213,971	1,201,047
Delinquent Real Estate Taxes	864,780	927,266	712,400
Delinquent Personal Property	238,345	258,345	206,320
Delinquent Mobile Homes	12,367	12,367	10,000
Penalties	344,706	369,963	375,440
Interest on Delinquent Taxes	198,220	198,220	167,960
Total	<u>\$ 50,949,767</u>	<u>\$ 54,318,556</u>	<u>\$ 53,046,638</u>

**BUDGET COMMENTS**

**General Property Taxes** include revenues received from levies made on real and personal property of County residents and business establishments.

**Real Estate Property Taxes** on residential and business land and buildings are based upon a tax rate per \$100 of assessed value, which is adopted by the Board of Supervisors during the budget process. The tax rate is then applied to the assessed value of individual property, as determined by the Real Estate Assessor during the annual assessment. The Commonwealth of Virginia requires localities to assess real property at 100 percent of market value.

The percentage increase in real property tax revenues is a product of three different factors:

1. FY 1999 Budgeted Real Estate Revenues were deflated because cash collections of taxes due in June 1999 were projected to be delayed into July (FY 2000). This will not happen because general accounting practices record cash collections for 45 days after the fiscal year ends as collections in FY 1999.
2. FY 1999 Budgeted revenues, and those originally forecast for FY 2000, were conservative based on the actual pace of low construction in both residential and commercial.
3. The FY 2000 outlook remains positive and the County should realize continued growth through new construction and through reassessments.

**Personal Property Taxes** are assessed by the Commissioner of the Revenue on four major property categories - individual personal property, business personal property, mobile homes, and machinery and tools. The tax rate is \$4.00 per \$100 of assessed value. Individual and business vehicles are assessed at 100 percent of loan value as determined by the National Automobile Dealers Association. Business equipment, machinery, and tools are assessed at 25 percent of capitalized cost. Mobile homes are assessed at current market value and are billed at the real estate tax rate. Beginning in FY 1999, the State began reimbursing localities for car taxes refunded to citizens under the new law. In calendar 1999, the State will reimburse 27.5% of such taxes, and 47.5% in calendar 2000. The result of this change is a drop in personal property tax collections

locally and an increase in State revenue.

***BUDGET COMMENTS, Continued***

**Public Service Assessments** are performed by the State Corporation Commission or the State Department of Taxation on property owned by regulated public utilities, which include railroads, electric, telephone, gas, and water companies.

Real Estate revenues increase by \$5,390,982, or 16.8 percent for FY 2000. The existing real estate tax rate of 87 cents per \$100 of assessed value is not proposed to increase in either year. The revenue growth reflects expected new construction and reassessment of existing property. The County collects real estate taxes twice a year, with payments due on June 5 and December 5.

Personal Property tax revenue collection will change, beginning in FY 1999, as the State reimburses localities for car tax refunds. Local personal property tax revenue will therefore decrease by \$3,087,200 for FY 2000, with a corresponding increase of \$3,310,295 in Revenue from the Commonwealth (see Page B-10).

Machinery and Tools taxes are similar to personal property, but the basis of assessment is cost, not market value. Assessments are expected to remain relatively flat for FY 2000.

Public Service are payments in lieu of taxes from utilities and CSX Railroad. A modest increase is expected over FY 1999.

In recent years, improved collection efforts produced increased collections of Delinquent Taxes, Penalties, and Interest. The County historically has collected over 99 percent of real and personal property taxes within the first three years. FY 2000 indicates a decrease reflecting a small balance of delinquent taxes and an aggressive collection policy.