

BUDGET SUMMARY

	<u>FY 97</u> <u>Budget</u>	<u>FY 98</u> <u>Budget</u>
Real Estate	\$25,620,694	\$28,029,040
Personal Property	9,885,964	11,000,000
Personal Property - Mobile Homes	75,000	75,000
Personal Property - Machinery	3,600,000	3,726,000
Public Service	1,150,000	1,150,000
Delinquent Real Estate Taxes	947,716	1,004,579
Delinquent Personal Property	243,722	258,345
Delinquent Mobile Homes	11,667	12,367
Penalties	380,000	402,800
Interest on Delinquent Taxes	<u>187,000</u>	<u>198,220</u>
Total	<u>\$42,101,763</u>	<u>\$45,856,351</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.

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.

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.

BUDGET COMMENTS, Continued

Real Estate revenues increase by \$2,408,346, or 9.4 percent. With no increase in the Real Estate Tax Rate of 87 cents per hundred dollars of assessment, that total increase can be portrayed as follows:

New Growth (\$1,391,204) Most of the increase can be associated to new residential and commercial growth, with \$160,000,000 worth of new properties expected to be completed in FY 1998.

Reassessments (\$1,017,142) The balance of this increase results from an overall 3.97 percent rise through reassessment of existing properties.

The average existing home, valued at \$104,870 in FY 1997 and paying \$912 annually in taxes, will be valued at \$109,137 in FY 1998 and pay \$949, an increase of \$37 per year, or approximately \$3 per month.

Personal Property taxes are projected to increase by 11.27 percent over FY 1997, with both additional auto registrations and higher average auto values contributing to this increase.

Machinery and Tools taxes are similar to personal property, but the basis of assessment is cost, not market value. Assessments have increased slightly to produce revenues that are 3.5 percent more than FY 1997. This increase is due to some plant expansions and investment by current business in additional equipment.

Public Service are payments in lieu of taxes from utilities and CSX Railroad. No increase is expected over FY 1997.

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 1998 indicates an increase reflecting a fairly stable, but small, balance of delinquent taxes and an aggressive collection policy.