

BUDGET SUMMARY

	FY 98 Budget	FY 99 Budget	FY 00 Budget
Real Estate	\$ 28,029,040	\$ 32,118,120	\$ 34,366,388
Personal Property	11,000,000	11,189,669	12,084,843
Personal Property – Mobile Homes	75,000	68,921	68,232
Personal Property – Machinery	3,726,000	4,724,471	4,818,961
Public Service	1,150,000	1,190,168	1,213,971
Delinquent Real Estate Taxes	1,004,579	864,780	927,266
Delinquent Personal Property	258,345	238,345	258,345
Delinquent Mobile Homes	12,367	12,367	12,367
Penalties	402,800	344,706	369,963
Interest on Delinquent Taxes	198,220	198,220	198,220
Total	\$ <u>45,856,351</u>	\$ <u>50,949,767</u>	\$ <u>54,318,556</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.

Real Estate revenues increase by \$4,089,080, or 14.6 percent for FY 1999, and \$2,248,268, or 7 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. In FY 1998, the County began collecting real estate taxes twice a year, with payments due on June 5 and December 5.

Personal Property taxes are projected to increase by 1.7 percent over FY 1998, and 8 percent over the projected amount for FY 1999, with both additional auto registrations and higher average auto values contributing to this increase.

BUDGET COMMENTS, Continued

Machinery and Tools taxes are similar to personal property, but the basis of assessment is cost, not market value. Assessments have increased to produce revenues that are 26.8 percent more than FY 1998. This increase is due to new businesses, plant expansions and investment by existing business in additional equipment.

Public Service are payments in lieu of taxes from utilities and CSX Railroad. A modest increase is expected over FY 1998.

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 1999 indicates a decrease reflecting a small balance of delinquent taxes and an aggressive collection policy.