

**BUDGET SUMMARY**

	FY 12 Adopted	FY 12 Projected	FY 13 Adopted	FY 14 Plan
Real Estate	\$ 84,786,304	\$ 85,819,479	\$ 81,925,000	\$ 82,675,000
Personal Property	15,331,816	15,773,236	16,560,000	17,335,000
Mobile Homes	65,000	65,000	65,000	65,000
Machinery and Tools	5,400,000	5,600,000	5,600,000	5,600,000
Public Service	1,650,000	1,716,355	1,725,000	1,725,000
Delinquent Real Estate Taxes	800,000	1,100,000	1,165,000	1,165,000
Delinquent Personal Property	275,000	275,000	370,000	370,000
Delinquent Mobile Homes	7,500	10,000	10,000	10,000
Penalties and Interest	600,000	740,000	700,000	700,000
Total	\$ <u>108,915,620</u>	\$ <u>111,099,070</u>	\$ <u>108,120,000</u>	\$ <u>109,645,000</u>

**BUDGET COMMENTS**

**General Property Taxes** include revenues received from levies made on real and personal property of County property owners 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 assessment process. The Commonwealth of Virginia requires localities to assess real property at 100 percent of market value. Market value is the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale.

The adopted FY2013 revenue, when compared to the adopted FY2012 figure represents a decrease of 3.4 percent. This decrease is attributed to the County's taxable real estate assessments declining approximately 3.67% from \$11.3 billion to \$10.9 billion. Reductions in residential assessments lowered the actual taxable value approximately 5.67% but that reduction was partially offset by new development. The real estate tax rate remains unchanged.

**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. The State currently subsidizes localities with a total amount for taxes on some vehicles used for personal use and, as a result, the collection of personal property taxes has partially shifted from local taxpayers to the State under the State's "Car Tax" initiative. The chart on page B-9 illustrates the impact. Unaffected by the State's "Car Tax" initiative are County personal property assessments on boats, airplanes, trucks, trailers, and business personal property. Overall, local personal property collections are expected to increase in FY2013 by 8.0 percent when compared to FY2012 budget as valuations of vehicles have increased.

***BUDGET COMMENTS, Continued***

**Machinery and Tools** are those items of business personal property that are used in a manufacturing application and the assessment of machinery and tools is based on costs.

**Public Service Assessments** are performed by the State Corporation Commission on property owned by regulated public utilities, which include railroads, electric, telephone, gas, and telecommunications companies. The assessments are based on value and the effective true tax rate. This rate is calculated by multiplying the nominal tax rate of \$0.77 by the median sales assessment ratio. The most recent information available is for 2011 when the ratio was 100 percent, making the effective true tax rate \$0.77 per hundred.

**Delinquent Tax Collections** are expected to increase with the addition of a new Delinquent Collection Position. One additional staff person is expected to generate an additional \$319,000 in collections.