BUDGET SUMMARY

	FY 11 Adopted	FY 11 Projected	FY 12 Plan	FY 12 Adopted
Real Estate	$ 83,302,075	$ 84,168,241	$ 83,421,030	$ 84,786,304
Personal Property	14,590,859	14,706,372	15,310,714	15,331,816
Mobile Homes	80,000	65,000	85,000	65,000
Machinery and Tools	4,900,000	5,400,000	4,900,000	5,400,000
Public Service	1,500,000	1,626,462	1,500,000	1,650,000
Delinquent Real Estate Taxes	900,000	800,000	900,000	800,000
Delinquent Personal Property	300,000	275,000	300,000	275,000
Delinquent Mobile Homes	7,500	7,500	7,500	7,500
Penalties and Interest	625,000	600,000	625,000	600,000
Total	$ 106,205,434	$ 107,648,575	$ 107,049,244	$ 108,915,620

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 FY 2012 revenue, when compared to the adopted FY 2011 figure represents an increase of 1.8 percent. This increase is attributed solely to new development as there was not a general reassessment or an increase in the tax rate.

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-3 illustrates the impact.

BUDGET COMMENTS, Continued

"Car Tax" Impacts	FY 11 Adopted	FY 12 Plan	FY 12 Adopted
Local Collections	$ 14,590,859	$ 15,310,714	$ 15,331,816
From the Commonwealth	9,770,137	9,770,137	9,770,137
	$ 24,360,996	$ 25,080,851	$ 25,101,953

In 2005 the General Assembly permanently capped the State's share of the "Car Tax" beginning in 2006. The State is projected to pay approximately 58 percent of the "Car Tax" for an eligible personal use vehicle in FY 2011.

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 FY 2012 by 5.1 percent when compared to FY 2011 budget.

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 2010 when the ratio was 96.5 percent. This ratio has increased slightly making the effective true tax rate $0.74305 per hundred. Public Service Assessments are projected to increase slightly as the assessment ratio is expected to rise.

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. FY 2012 collections are expected to increase when compared to the FY 2011 budget due to expansions amongst local manufacturers.