

BUDGET SUMMARY

	FY 13 Adopted	FY 13 Projected	FY 14 Plan	FY 14 Adopted
Real Estate	\$ 81,925,000	\$ 82,100,000	\$ 82,675,000	\$ 83,000,000
Personal Property	16,560,000	17,050,000	17,335,000	17,625,000
Mobile Homes	65,000	65,000	65,000	65,000
Machinery and Tools	5,600,000	5,611,910	5,600,000	5,650,000
Public Service	1,725,000	1,792,966	1,725,000	1,800,000
Delinquent Real Estate Taxes	1,165,000	1,100,000	1,165,000	1,100,000
Delinquent Personal Property	370,000	450,000	370,000	450,000
Delinquent Mobile Homes	10,000	7,500	10,000	7,500
Penalties and Interest	700,000	720,000	700,000	725,000
Total	\$ <u>108,120,000</u>	\$ <u>108,897,376</u>	\$ <u>109,645,000</u>	\$ <u>110,422,500</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% 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 FY2014 revenue, when compared to the adopted FY2013 figure, represents an increase of 1.3%. 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% of loan value as determined by the National Automobile Dealers Association. Business equipment, machinery, and tools are assessed at 25% 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 FY2014 by 6.4% when compared to FY2013 budget based on growth in both the number and value of vehicles.

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 2012 when the ratio was 100%, making the effective true tax rate \$0.77 per hundred.

Delinquent Tax Collections, in total, are expected to increase modestly.