

TRANSPORTATION TAX FUND

FUNCTION: Transportation Tax Fund
DEPARTMENT:
DIVISION OR ACTIVITY:

Budget Comments:

The City Council established the Commercial Property Tax/Transportation Fund (renamed “Transportation Tax Fund”) as part of the FY 2010 Adopted Budget, which levied an additional 8¢ per \$100 of assessed value on all commercial and industrial properties, located in the City of Fairfax. As part of the FY 2011 Adopted Budget, this levy was reduced from 8¢ to 5.5¢ per \$100 of assessed value. For the FY 2017 Budget, the rate was increased to 9.5¢, and to 10.5¢ for the FY 2018 Adopted Budget. One penny on the commercial property tax rate is equivalent to approximately \$190,335, and the FY 2019 adopted rate of 11.5¢ per \$100 of assessed value generates approximately \$2,188,856 annually. All residential properties including apartment buildings are excluded from this tax.

By approving HB 3202 and HB 2479 the General Assembly authorized Northern Virginia Transportation Authority (NVTA) members to raise revenue, by enacting a local ordinance imposing the additional commercial tax. This fund also accounts for “30%” monies received from NVTA pursuant to HB2331. In order to maximize the amount of 30% monies in both FY 2018 and FY 2019, the City will transfer a portion of the excess proceeds from the sale of the City’s Water Utility assets into the Transportation Tax Fund. The revenue collected from these sources is to be used solely for transportation and transit purposes, as follows:

- New road construction and associated planning, design, and right-of-way acquisition, including new additions to, expansions, or extensions of existing roads that add new capacity, service, or access;
- New public transit construction and associated planning, design, and right-of-way acquisition, including new additions to, expansions, or extensions of existing public transit projects that add new capacity, service, or access;
- Other capital costs related to new transportation projects that add new capacity, service, or access and the operating costs directly related to the foregoing;
- The issuance costs and debt service on bonds that may be issued to support the capital costs permitted in any of the above bullets.

FY 2019 Adopted Budget - City of Fairfax, Virginia

**City of Fairfax, Virginia
FY 2019 Transportation Tax Fund
Budget Summary**

	FY 2017	FY 2018	FY 2018	FY 2019	Variance to	Variance to
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Adopted</u>	<u>Budget \$</u>	<u>Budget %</u>
Fund Balance - Beginning	\$8,570,963	\$ 6,331,143	\$ 5,764,076	\$ 7,674,952		
Revenues						
NVTA 30% Revenue	2,344,739	\$ 2,413,232	\$ 2,272,519	\$ 2,282,020	\$ (131,212)	-5.44%
Other State Revenue	-	-	-	-	-	0.00%
Transfer from General Fund (C & I Tax)	1,867,236	2,044,484	1,955,723	2,188,856	144,372	7.06%
Transfer from Water Fund	382,346	257,581	365,807	188,248	(69,333)	-26.92%
Total Revenues	\$ 4,594,321	\$ 4,715,297	\$ 4,594,049	\$ 4,659,124	\$ (56,174)	-1.19%
Expenses						
Capital Projects	6,624	810,000	91,186	150,000	(660,000)	-81.48%
Transfer to Capital Projects Fund	5,448,664	-	910,000	915,000	915,000	0.00%
Transfer to Old Town Service District Fund	-	-	-	-	-	0.00%
Transfer to Transit Fund	1,945,920	1,681,987	1,681,987	1,984,698	302,711	18.00%
Total Expenses	\$ 7,401,208	\$ 2,491,987	\$ 2,683,173	\$ 3,049,698	\$ 557,711	22.38%
Cash Balance - Ending	5,764,076	\$ 8,554,453	\$ 7,674,952	\$ 9,284,377		

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