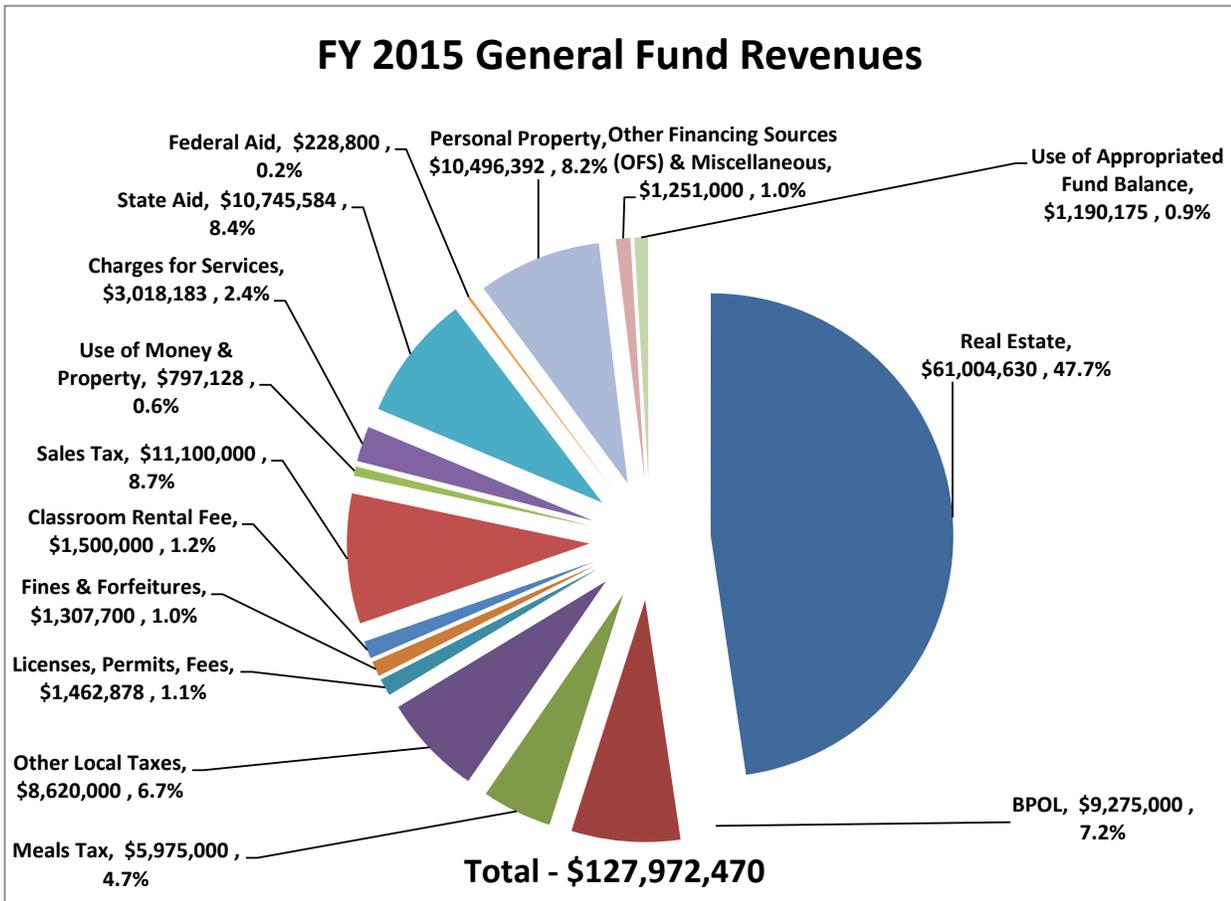


# **GENERAL FUND REVENUE OVERVIEW**

**FY 2015 Adopted Budget – City of Fairfax, Virginia**

The following pie chart provides an overview by category of general fund revenue sources for the City of Fairfax as part of the FY 2015 Adopted Budget.



The Use of Undesignated Fund Balance in the amount of **\$1,190,175** (use of prior year’s surplus, \$1,946,175, offset by the repayment to the General Fund, \$500,000, and school tuition reserve, \$256,000) is funded by the estimated FY 2014 Unassigned General Fund Balance. The Adopted Budget also provides \$256,000 for a school tuition reserve (committed fund balance in the General Fund). The ending Unassigned General Fund Balance is equal to approximately **10.0 percent (\$12.8m)** of adopted General Fund expenditures.

## FY 2015 Adopted Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account	Account Title	FY 2013 Actual	FY 2014 Budget	FY 2014 Estimate	FY 2015 Adopted
<b>General Property Taxes</b>					
311110	Real Estate Current December	\$25,814,170	\$27,525,479	\$ 27,574,314	\$ 27,381,076
311111	Real Estate Current June	27,206,181	28,092,239	27,924,076	29,217,756
311112	Real Estate Old Town - June	91,269	97,773	95,013	95,963
311113	Delinquent Real Estate	737,744	675,000	788,076	725,000
311114	Real Estate Old Town - December	94,406	96,804	91,269	95,013
311116	Delinquent R/E Old Town District	5,871	5,000	4,308	5,000
311120	Stormwater Fund Tax	761,058	1,069,957	1,078,123	1,109,728
311119	Delinquent R/E Commercial	34,858	30,000	23,041	25,000
311121	Comm. Real Estate Tax Rate Trans. - June	511,554	512,270	503,036	502,531
311122	Comm. Real Estate Tax Rate Trans. - Dec	517,801	501,636	501,561	503,036
311210	Personal Property Current	9,767,646	9,680,000	9,723,914	9,918,392
311213	Delinquent Personal Property	342,601	200,000	327,000	330,000
311311	PSC R/E Current	925,953	1,043,266	963,525	994,527
311312	PSC PP Current	267,087	267,000	243,137	248,000
311313	PSC Delinquent R/E Taxes	(222)	0	0	0
311410	Penalties on Delinquent Taxes	254,216	240,000	235,000	250,000
311411	Interest on Delinquent Taxes	117,536	100,000	114,066	100,000
<b>Total General Property Taxes</b>		<b>\$67,449,729</b>	<b>\$70,136,424</b>	<b>\$ 70,189,460</b>	<b>\$ 71,501,022</b>
<b>Other Local Taxes</b>					
312010	Local Sales & Use Tax	\$10,263,955	\$10,150,000	\$11,388,488	\$11,100,000
312011	Consumers Utility Tax	1,704,649	1,550,000	1,626,000	1,650,000
312012	Business & Occupational Licenses	8,932,634	8,720,000	9,100,000	9,275,000
312013	Motor Vehicle Licenses	608,562	640,000	640,000	640,000
312014	Recordation Tax	412,857	400,000	400,000	400,000
312015	Bank Stock Tax	1,582,899	1,700,000	1,700,000	1,700,000
312016	Tobacco Tax	975,457	975,000	989,937	975,000
312017	Transient Lodging Tax	668,420	700,000	731,384	780,000
312018	Meals Tax	5,553,975	5,400,000	5,775,000	5,975,000
312021	Consumption Tax	105,498	125,000	102,331	125,000
312024	Communication Taxes	2,325,911	2,400,000	2,325,999	2,350,000
<b>Total Other Local Taxes</b>		<b>\$33,134,817</b>	<b>\$32,760,000</b>	<b>\$34,779,138</b>	<b>\$34,970,000</b>

## FY 2015 Adopted Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account	Account Title	FY 2013 Actual	FY 2014 Budget	FY 2014 Estimate	FY 2015 Adopted
<b>Licenses, Permits &amp; Fees</b>					
313202	Building Permits	\$201,731	\$190,000	\$190,000	\$250,000
313203	Electrical Permits	119,163	115,000	120,000	150,000
313204	Plumbing Permits	58,820	74,000	75,000	80,000
313205	Mechanical Permits	108,489	98,000	100,000	120,000
313206	Elevator Inspection	46,762	53,000	53,000	53,000
313225	Rental Housing Occupancy	1,930	2,500	2,000	2,000
313226	Fire Marshal Permit	90,187	83,000	80,000	80,000
313227	Fire Protection System Permit	24,724	30,000	28,000	35,000
313231	Fire Marshal Development Fees	12,194	10,000	10,000	10,000
313233	Public Safety Fee	38,785	40,000	49,000	49,000
313234	Reinspection Fees	688	600	600	600
313308	Sign Permits	19,158	20,000	20,000	18,000
313309	Occupancy Permits	32,455	30,000	30,000	31,000
313310	Soil & Erosion Fees	8,100	9,600	9,600	10,000
313323	Zoning Fees	31,370	55,000	55,000	49,000
313328	Special Use Permits	75,515	100,000	100,000	90,000
313329	Variances	33,600	20,000	20,000	24,000
313330	Partial R/E Tax Exemption	340	400	400	300
313411	Cemetery Interments	59,690	41,600	41,946	41,600
313420	Street Opening Permits	37,590	57,000	50,000	50,000
313430	Precious Metal Permits	0	1,800	0	0
313440	Public Right of Way Use	221,330	207,000	220,641	225,000
313510	Animal Licenses	11,555	12,000	19,031	12,000
313512	Peddlers Permits	9,345	11,000	11,000	8,369
313620	Transfer Fees	76,580	74,000	74,000	74,000
313630	Cellular Comm	88,499	80,000	50,000	0
<b>Total Licenses, Permits &amp; Fees</b>		<b>\$1,408,601</b>	<b>\$1,415,500</b>	<b>\$1,409,218</b>	<b>\$1,462,869</b>
<b>Fines &amp; Forfeitures</b>					
314001	Court Fines & Forfeitures	\$713,513	\$790,000	\$790,000	\$750,000
314002	Parking Fines	91,577	125,000	125,000	107,000
314003	Juvenile Court	0	4,500	4,500	4,500
314005	Circuit Court Revenue	8,415	7,500	7,500	7,500
314006	Court Facilities Fee	20,455	20,000	20,000	20,000
314010	Zoning Civil Penalties	9,210	12,000	12,000	9,000
314011	Photo Red Light	195,948	300,000	300,000	300,000
314012	Jail Admin Fee	2,062	1,700	1,700	1,700
314013	Courthouse Security	107,083	108,000	108,000	108,000
<b>Total Fines &amp; Forfeitures</b>		<b>\$1,148,262</b>	<b>\$1,368,700</b>	<b>\$1,368,700</b>	<b>\$1,307,700</b>

## FY 2015 Adopted Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account	Account Title	FY 2013 Actual	FY 2014 Budget	FY 2014 Estimate	FY 2015 Adopted
<b>Use of Money &amp; Property</b>					
315101	Interest on Investments	\$23,446	\$23,750	\$100,000	\$190,000
315201	Rental - General Property	0	0	0	0
315202	Rental - Old Town Hall	150,436	156,540	156,540	160,475
315203	Rental - Green Acres	68,358	58,100	53,000	53,875
315206	Rental - Schools	1,589,649	1,645,414	1,645,414	1,500,000
315208	Rental - Community Center	189,525	186,170	190,000	257,205
315209	Rental - Main Street Day Care	29,106	28,000	28,000	28,000
315210	Rental - Westmore School	0	0	0	0
315211	Rental - Blenheim	39,700	31,255	33,000	49,738
315213	Rental - Ball Fields	72,158	57,755	57,755	57,835
<b>Total Use of Money &amp; Property</b>		<b>\$2,162,378</b>	<b>\$2,186,984</b>	<b>\$2,263,709</b>	<b>\$2,297,128</b>
<b>Charges for Services</b>					
316110	Court Fees	\$6,267	\$6,600	\$6,600	\$6,600
316220	Sale of Record Copies	2,443	2,400	2,400	2,376
316221	False Alarm Fees	39,950	32,000	36,285	34,000
316223	Ambulance Fees	1,364,213	1,275,000	841,900	900,000
316225	Fire Recovery Fee - GMU	200,000	200,000	200,000	200,000
316230	Animal Control Fees	2,278	2,500	2,500	2,004
316346	Community Programming	28,490	60,320	60,000	64,798
316347	Sherwood Programming	114,825	95,460	95,500	111,480
316348	Green Acres Programming	47,390	54,886	54,000	64,248
316349	Senior Programs	71,584	73,275	73,000	79,097
316350	Rec. Trips - Youth, Teen, and Adult	(215)	0	0	0
316351	Day Camps	537,869	530,016	531,000	536,309
316352	Pavilion Rentals	21,907	5,400	6,500	7,000
316353	Cultural Arts	2,113	7,025	0	6,613
316354	Special Events	154,024	177,697	133,400	285,523
316355	Museum Revenue	912	1,200	1,200	1,200
316356	Museum Gift Shop	12,446	12,100	12,500	15,500
316357	Show Mobile Revenue	3,438	4,800	4,800	4,800
316460	Sale of Publications	60	0	0	35
316461	Subdivision Review Fees	26,790	20,000	20,000	24,000
316462	Site Plan Review Fees	58,880	100,000	100,000	90,000
316463	Architectural Review	2,695	4,000	4,000	3,400
316464	Tree Removal Permit	1,140	1,350	1,350	1,300
316466	Surety Review	10,420	20,000	20,000	15,000
316467	Mapping Sales	105	1,000	500	500
316570	School Age Child Care	490,199	450,000	450,000	500,000
316580	Returned Check Fees	4,275	4,000	3,947	4,000
316581	Charge Card Fees	17,070	16,000	15,993	8,000
316585	Administrative Fees	14,615	18,000	7,860	15,000
316586	Collection Fees	(975)	1,500	1,500	1,500
316587	Attorney Fees	2,924	1,400	2,000	1,400
316712	5% Late Charge	2,788	2,300	3,070	2,500
316811	Inspection Fees After Hours	8,250	30,000	30,000	30,000
<b>Total Charges for Services</b>		<b>\$3,249,168</b>	<b>\$3,210,229</b>	<b>\$2,721,805</b>	<b>\$3,018,183</b>

## FY 2015 Adopted Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account	Account Title	FY 2013 Actual	FY 2014 Budget	FY 2014 Estimate	FY 2015 Adopted
<b>Miscellaneous Revenue</b>					
318102	Sale of Surplus Property	\$29,594	\$0	\$10,000	\$10,000
318104	Sale of Cemetery Lot	33,696	22,700	22,896	22,700
318105	Perpetual Care - Cemetery	9,646	8,000	2,495	2,000
318107	Recycled Newspaper	0	0	0	0
318108	Sale of City License Plates	5,280	4,500	4,650	5,000
318201	Misc. Revenue	33,772	100,000	20,000	95,000
<b>Total Miscellaneous Revenue</b>		<b>\$111,989</b>	<b>\$135,200</b>	<b>\$60,041</b>	<b>\$134,700</b>
<b>State Aid</b>					
321101	ABC Profits	\$0	\$0	\$0	\$0
321102	Wine Taxes	0	0	0	0
321103	Rolling Taxes	285	292	292	0
321104	State Aid Police	567,463	550,000	550,000	595,124
321106	Vehicle Rental Tax	254,368	230,000	248,817	250,000
321201	Commissioner of Revenue	130,629	133,800	135,700	137,000
321202	Treasurer	89,193	93,000	93,000	93,000
321203	Registrar / Electoral	40,664	49,000	49,000	50,000
321204	DMV Reimbursement	38,852	45,000	45,000	45,000
324201	State Sales Tax	3,074,553	3,015,450	3,015,450	2,836,117
324202	Basic School Aid	4,255,394	3,873,413	3,873,413	4,147,013
324302	Four for Life Grants	23,775	25,000	25,000	21,000
324331	Asset Forfeiture	2,988	10,000	10,000	0
324344	Fire Programs Fund	54,289	59,000	59,000	63,000
324403	Street & Highway Maint.	2,315,537	2,316,000	2,316,000	2,501,829
324405	Solid Waste Grant	7,216	5,910	5,910	6,501
324411	Disaster Assistance State	166,099	0	0	0
<b>Total State Aid</b>		<b>\$11,021,304</b>	<b>\$10,405,865</b>	<b>\$10,426,582</b>	<b>\$10,745,584</b>

## FY 2015 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary					
Account	Account Title	FY 2013 Actual	FY 2014 Budget	FY 2014 Estimate	FY 2015 Adopted
<b>Federal Aid</b>					
331005	Bulletproof Vest Grant	\$2,827	\$2,800	\$2,800	\$2,800
331009	Alcohol Safety Grant	12,173	18,000	18,000	18,000
331010	Gang Task Force Grant	0	0	0	0
331011	FEMA Grant	56,982	0	0	0
331017	VA Dept Emer Mgmt Grant	11,912	0	0	0
331018	NCR Regional Planner	110,151	125,000	125,000	125,000
331023	Byrne JAG Grant	0	0	0	2,000
331044	Assistance for Firefighters Grant	53,865	68,175	60,000	60,000
331045	Citizen Preparedness Grant	2,286	0	2,500	0
331046	LEMPG Grant	10,000	0	7,500	7,500
331047	UASI EOC GRANT	22,863	0	6,000	9,000
331048	EMPG Sheltering Grant	3,527	0	0	0
331049	UASI Citizen Prep Grant	10,947	0	4,500	4,500
<b>Total Federal Aid</b>		<b>\$297,534</b>	<b>\$213,975</b>	<b>\$226,300</b>	<b>\$228,800</b>
<b>Other Financing Sources</b>					
318230	Fire Grant from Walmart	\$0	\$0	\$0	\$0
318282	Fairfax Little League	5,625	5,625	5,625	5,625
318288	FPYC Turf Contribution	77,375	77,375	77,375	77,375
318289	Schools Turf Contribution	20,000	0	0	20,000
319008	City - County Contract	736,976	792,033	766,667	797,334
341030	Bond Refunding	0	0	0	0
341040	Sale of Property	150,000	450,000	0	0
347360	Downtown Fund Transfer for Debt Service	0	0	0	195,976
342030	Insurance Recoveries	50,298	0	20,000	20,000
<b>Total Other Financing Sources</b>		<b>\$1,040,274</b>	<b>\$1,325,033</b>	<b>\$869,667</b>	<b>\$1,116,310</b>
<b>Total Revenues</b>		<b>\$121,024,055</b>	<b>\$123,157,910</b>	<b>\$124,314,619</b>	<b>\$126,782,295</b>
<b>Total Appropriated Fund Balance</b>					
	Repayment to General Fund	\$0	(\$500,000)	(\$500,000)	(\$500,000)
	School Tuition Reserve	0	0	0	(256,000)
	Use of Unassigned Fund Balance	0	0	0	0
	Use of Prior Year's Surplus	0	2,941,488	2,530,209	1,946,175
<b>Total Appropriated Fund Balance</b>		<b>\$0</b>	<b>\$2,441,488</b>	<b>\$2,030,209</b>	<b>\$1,190,175</b>
<b>Total Revenue Available</b>		<b>\$121,024,055</b>	<b>\$125,599,398</b>	<b>\$126,344,828</b>	<b>\$127,972,470</b>

**FY 2015 Adopted Budget – City of Fairfax, Virginia**

**History of General Fund Revenues by Category**

Category	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Estimate	FY 2015 Adopted
<b>Real Estate</b>	\$33,526,475	\$37,522,201	\$38,953,943	\$40,975,135	\$43,774,958	\$47,677,911	\$49,960,103	\$57,072,395	\$59,895,409	\$61,004,630
<b>Personal Property</b>	7,794,289	7,298,936	8,870,109	9,207,637	10,011,917	11,070,647	9,976,554	10,377,334	10,294,051	10,496,392
<b>Sales Tax</b>	10,608,683	11,604,756	13,721,180	13,587,593	13,433,255	8,831,494	9,907,063	10,263,955	11,388,488	11,100,000
<b>BPOL</b>	7,664,177	8,370,119	8,444,976	8,662,866	8,599,019	8,375,551	8,151,072	8,932,634	9,100,000	9,275,000
<b>Meals Tax</b>	2,087,428	2,176,558	2,235,496	2,301,359	4,628,045	4,634,109	4,938,869	5,553,975	5,775,000	5,975,000
<b>Other Local Taxes</b>	6,643,536	7,052,627	7,664,874	6,653,880	7,662,450	7,226,450	8,036,140	8,384,251	8,515,650	8,620,000
<b>Licenses, Permits, and Fees</b>	1,221,572	1,364,665	1,376,855	1,257,887	1,055,604	1,065,386	1,230,352	1,408,601	1,409,218	1,462,869
<b>Fines &amp; Forfeitures</b>	1,243,358	1,567,914	954,306	879,234	893,186	873,594	1,041,172	1,148,262	1,368,700	1,307,700
<b>Use of Money &amp; Property</b>	1,401,715	3,257,577	5,464,202	5,463,064	3,446,770	2,298,050	1,866,897	2,162,378	2,263,709	2,297,128
<b>Charges for Services</b>	962,585	954,341	973,262	1,061,561	1,391,864	2,424,216	2,878,252	3,249,168	2,721,805	3,018,183
<b>Intergovernmental</b>	8,965,341	9,444,194	10,054,930	10,597,452	10,960,395	11,033,810	10,358,222	11,318,838	10,652,882	10,974,384
<b>Other Financing Sources / Misc.</b>	230,315	260,375	1,016,217	1,066,827	3,527,196	3,070,983	1,076,776	1,152,263	929,708	1,251,010
<b>Appropriated Fund Balance</b>	0	0	0	0	2,180,574	3,877,676	282,267	0	2,030,209	1,190,175
<b>Total Revenue</b>	<b>\$82,349,474</b>	<b>\$90,874,263</b>	<b>\$99,730,350</b>	<b>\$101,714,496</b>	<b>\$111,565,233</b>	<b>\$112,459,877</b>	<b>\$109,703,739</b>	<b>\$121,024,055</b>	<b>\$126,344,828</b>	<b>\$127,972,470</b>

# Major Revenue Sources

**Real Estate Tax**

**Background**

Each year, the City Assessor's Office appraises all **real property** in the City to determine its value for tax purposes. All assessments of real property, including land and permanently affixed structures, are based on **fair market value** and are equitable with the assessments of comparable properties. Real estate assessments, which are made each year by the Assessor's Office, are effective January 1 of the year and are at 100 percent of fair market value. During the budget process, City Council determines how much income the City must generate to provide municipal services to residents. The Council then sets a tax rate that will yield the needed revenue. That tax rate multiplied by the assessed value of the property determines the taxes owed by each property owner. City taxes are paid twice a year - June 21 and December 5.

**Fiscal Impact – Real Estate Tax Revenues**

<b>Category</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Budget</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Adopted</b>
Real Estate Tax Revenue	\$55,851,494	\$58,775,941	\$58,700,221	\$59,803,086
Base Real Estate Tax Rate	\$1.00	\$1.04	\$1.04/\$1.0172	\$1.0172
Stormwater Tax Rate	1.0¢	2.0¢	2.0¢	2.0¢
School Tuition Reserve Tax Rate	0.0¢	0.0¢	0.0¢/0.28¢	0.28¢
<b>Total Real Estate Tax Rate</b>	<b>\$1.01</b>	<b>\$1.06</b>	<b>\$1.04</b>	<b>\$1.04</b>

<b>Category</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Budget</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Adopted</b>
Old Town Service District Revenue	\$191,547	\$199,577	\$190,590	\$195,976
<b>Old Town Service District Tax Rate</b>	<b>6.0¢</b>	<b>6.0¢</b>	<b>6.0¢</b>	<b>6.0¢</b>

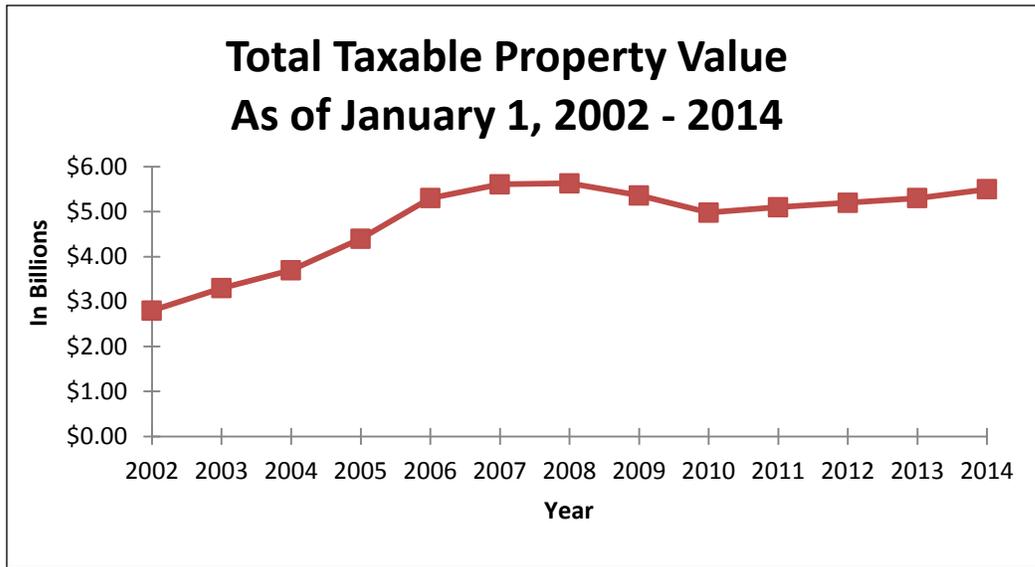
<b>Category</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Budget</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Adopted</b>
Commercial & Industrial Revenue	\$1,029,354	\$1,013,906	\$1,004,598	\$1,005,568
<b>Commercial &amp; Industrial Tax Rate</b>	<b>5.5¢</b>	<b>5.5¢</b>	<b>5.5¢</b>	<b>5.5¢</b>

Real property tax revenues account for the largest category of revenue for the General Fund, representing 47.7 percent of total General Fund revenues. The Adopted FY 2015 Budget sets the real estate tax rate at \$1.04, and dedicates 0.28 cents to create a school tuition reserve (committed fund balance in the General Fund). Included in the overall rate, 2.0 cents will continue to be dedicated for the Stormwater Fund. These funds are dedicated to meeting federal and state regulatory requirements along with maintenance of aging stormwater infrastructure, of which significant portions are reaching the end of their useful life.

**FY 2015 Adopted Budget – City of Fairfax, Virginia**

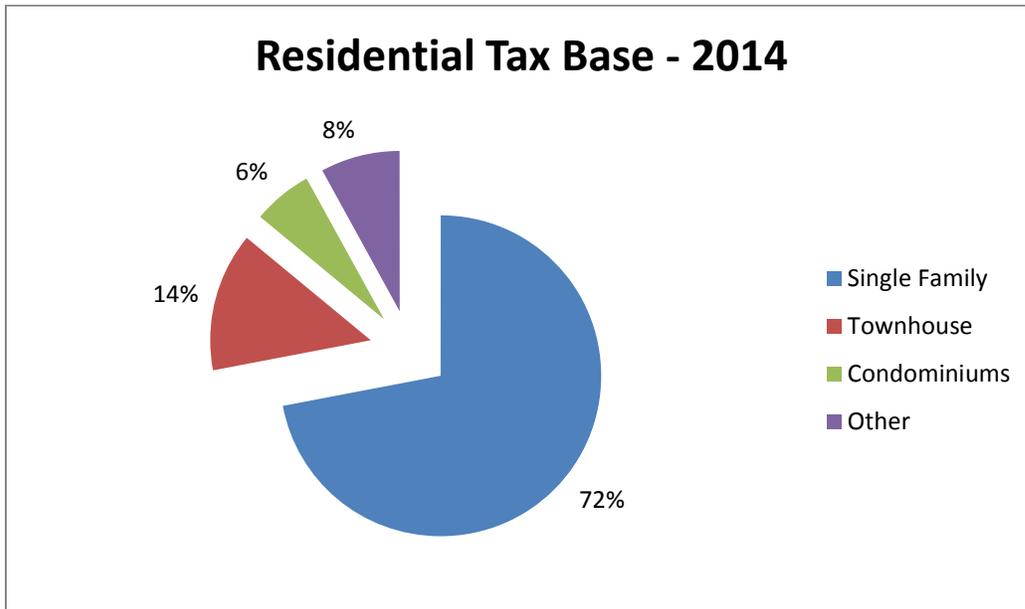
Total real estate assessments are up 3.3 percent, which includes new construction of \$32.0 million, compared to a 2.1 percent increase for the previous fiscal year.

Assessments	CY 2013	CY 2014	Change	
			\$	%
Residential	\$3,266,638,900	\$3,437,682,601	\$171,043,701	5.2%
Commercial	2,073,994,400	\$2,079,379,792	5,385,392	0.2%
<b>Total</b>	<b>\$5,340,633,300</b>	<b>\$5,517,062,393</b>	<b>\$176,429,093</b>	<b>3.3%</b>



The calendar year 2014 total taxable value of City residential and commercial properties before appeals is \$5,517,062,393, an increase from last year’s total assessed value of \$176,429,093 (3.3%).

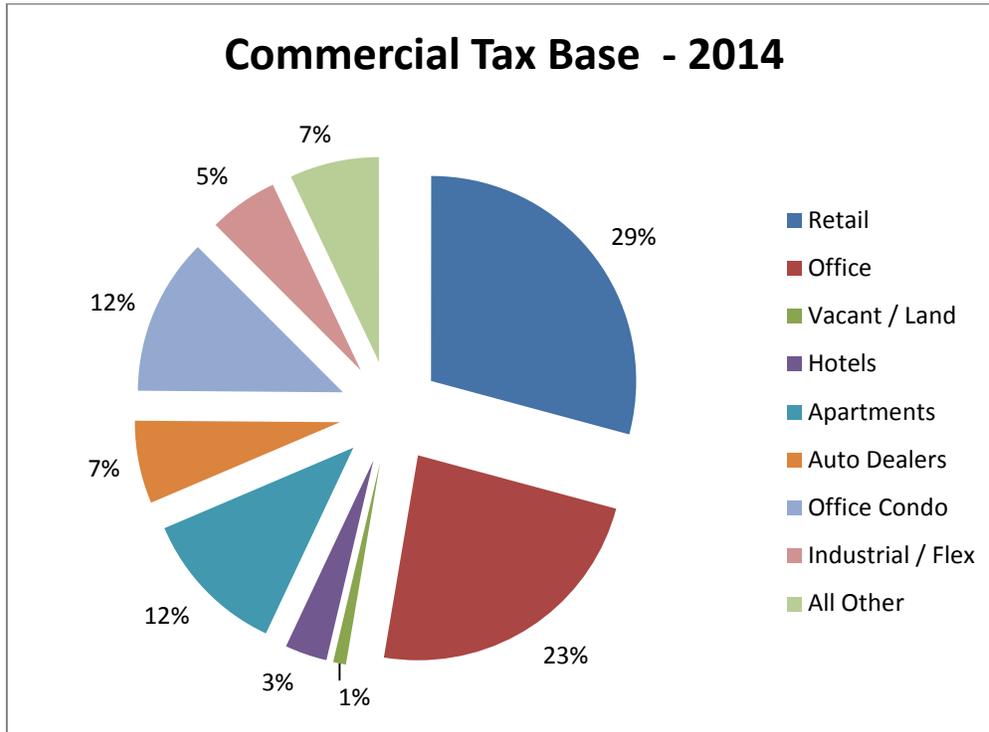
The overall residential assessment total, including new construction, has increased by 5.2 percent. The following notes the breakout by category for the residential tax base.



## FY 2015 Adopted Budget – City of Fairfax, Virginia

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Commercial assessments note an increase of 0.2 percent overall, which includes new construction. The following notes the breakout by category for the commercial tax base.

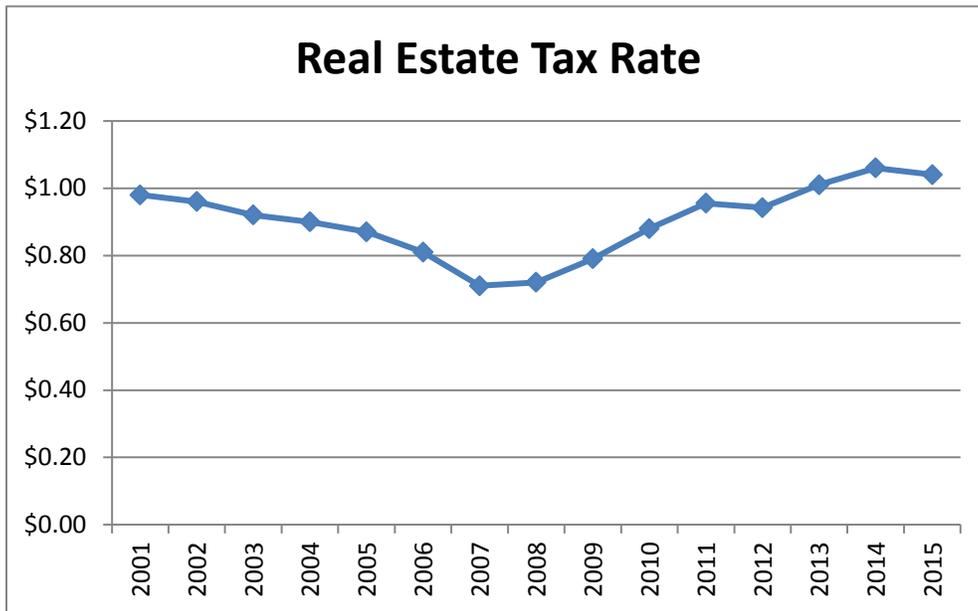


The Old Town Service District remains at 6.0 cents per \$100 of assessed value. The revenue generated is used to provide additional government services to the Old Town Service District.

As part of the FY 2010 Adopted Budget, the Transportation Tax Fund provided for a surcharge on commercial and industrial real estate properties at a rate of 8.0 cents per \$100 of assessed value. During the FY 2011 budget process, the City Council decreased this rate from 8.0 cents per \$100 of assessed value to 5.5 cents per \$100 of assessed value. The 5.5 cent rate remains unchanged for FY 2015.

**FY 2015 Adopted Budget – City of Fairfax, Virginia**

A historical review of the City’s Real Estate Tax Rate is below:



In comparing tax rates, it is important to keep in mind two factors often overlooked – levels of service vary from jurisdiction to jurisdiction, and for residents of area towns, a town tax is levied in addition to the county tax. Two large towns in our immediate area – Vienna and Herndon – known for similar levels of community services, levy real estate taxes of 22.88 and 26.5 cents per \$100 of assessed value (adopted fiscal year 2015 rates), respectively.

The City’s adopted real estate tax rate of \$1.04 is \$0.2 less than the FY 2014 rate of \$1.06. The average residential tax bill is expected to increase by 2.5 percent. The following chart provides an illustrative example by three residential assessed values:

**Impact of Real Estate Tax Rate per FY 2015 Budget  
Average Property Owner’s Tax Bill at Various Values  
All Residential Properties**

CY 13 Assessment	CY 13 Tax Rate	CY 13 Tax Bill	CY 14 Assessment	CY 14 Tax Rate	CY 14 Tax Bill	Change	
						\$	%
300,000	1.06	3,180	313,500	1.04	3,260	80	2.53%
500,000	1.06	5,300	522,500	1.04	5,434	134	2.53%
700,000	1.06	7,420	731,500	1.04	7,608	188	2.53%

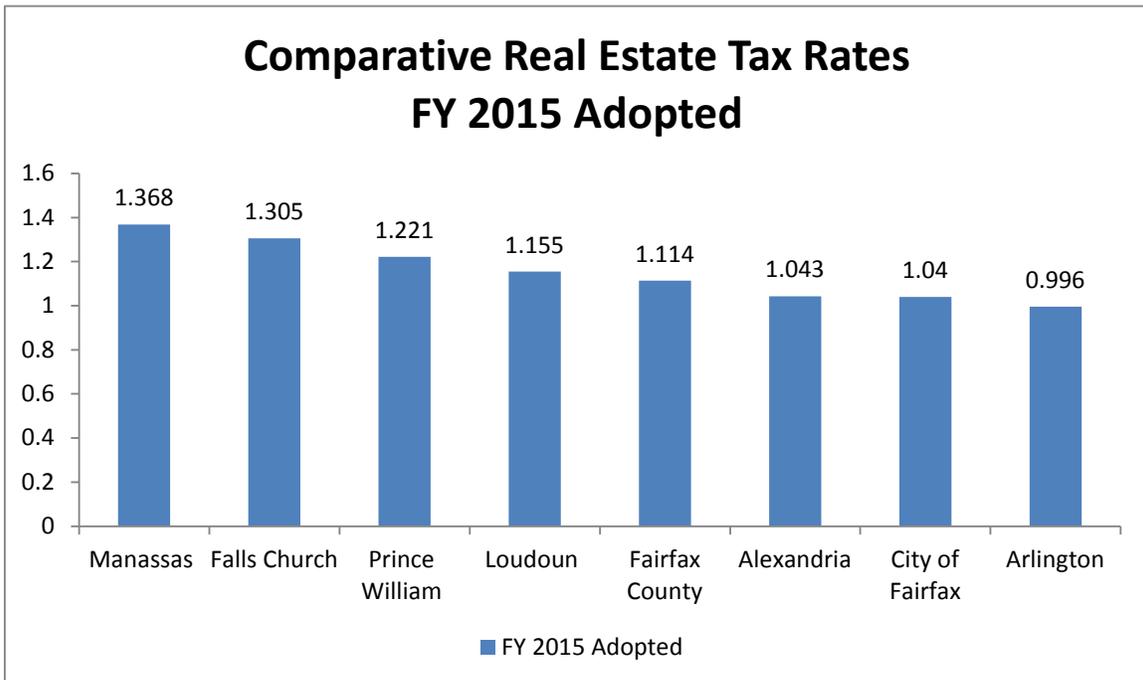
Note: average estimated increase in assessment of 4.5 percent (excludes new construction); each property is separately valued therefore each assessment may be higher or lower than the average.

## FY 2015 Adopted Budget – City of Fairfax, Virginia

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The real estate tax rate necessary to provide residential equalization, whereby the average homeowner would pay no more in taxes than in the prior year equates to \$1.015 per \$100 of assessed value. This is 2.5 cents less than the adopted FY 2015 rate of \$1.04. The real estate equalization rate for residential and commercial properties combined is \$1.03 per \$100 of assessed value, 1.0 cent less than the adopted rate of \$1.04.

FY 2015 adopted rates are available for all of the surrounding jurisdictions, and are shown below for comparison.



**Personal Property Tax**

**Background**

The City of Fairfax assesses all individuals and businesses on the value of motor vehicles, including automobiles, trucks, motorcycles, trailers, campers and other recreational vehicles and boats that are located in the City of Fairfax. The City also assesses all businesses on the value of all other personal property such as furniture and equipment located within the City boundaries. All such property is considered personal property. Additionally, the City imposes a Motor Vehicle License Tax for each vehicle and issues a vehicle license decal as proof that the license tax and personal property taxes have been paid.

The Commissioner of the Revenue determines the method of assessment for personal property and the City Council establishes the tax rate. The current personal property tax rate is \$4.13 per \$100 of assessed value. In addition to the personal property tax, all motor vehicles normally garaged in the city are required to display a Motor Vehicle License Decal. The Motor Vehicle License Tax is \$33.00 per annum and is administered directly by the City Treasurer. Before obtaining a decal, vehicle owners must register their vehicles with the Commissioner of the Revenue for personal property tax purposes.

At the current time, taxpayers are "reimbursed" by the state at a rate of approximately 52 percent of the tax up to the first \$20,000 of assessed value. This reimbursement is based on a fixed amount, approximately \$3.1 million, which is the 2004 level of reimbursement. While in most cases a disproportionate amount of tax collected at local levels is disbursed to other areas of the state through means such as the composite index for education funding, in the case of personal property tax, a disproportionately larger amount is paid to Northern Virginia, because there are more and higher value cars in this area.

**Fiscal Impact – Personal Property Tax**

	<b>FY 2013 Actual</b>	<b>FY 2014 Adopted</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Adopted</b>
<b>Personal Property Tax Revenue</b>	\$10,377,334	\$10,147,000	\$10,294,051	\$10,496,392
<b>Personal Property Tax Rate</b>	\$4.13	\$4.13	\$4.13	\$4.13

## FY 2015 Adopted Budget – City of Fairfax, Virginia

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The FY 2015 Adopted Budget recommends no change in the Personal Property Tax rate of \$4.13. FY 2015 revenues are projected to increase 3.4% from the FY 2014 budget. The Commissioner of the Revenue noted both new and used car prices have increased from the previous year.

### Personal Property Tax Rates FY 2015



**Local Sales and Use Tax**

**Background**

A sales tax is imposed on gross receipts from retail sales. The seller collects the tax from the customer by separately stating the tax and adding it to the sales price or charge. The local sales and use tax is 1.0%.

**Fiscal Impact – Local Sales and Use Tax**

	<b>FY 2013 Actual</b>	<b>FY 2014 Adopted</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Adopted</b>
<b>Local Sales &amp; Use Tax Revenue</b>	\$10,263,955	\$10,150,000	\$11,388,488	\$11,100,000

The local sales and use tax is one of the most important economic indicators and highest revenue generators for the City. These revenues are projected to increase in FY 2015 due to strong retail sales in FY 2014. FY 2014's estimate includes a one-time transfer of approximately \$0.4 million in taxes that were paid erroneously to Fairfax County.

**Business, Professional, and Occupational License (BPOL) Tax**

**Background**

All businesses operating in the City of Fairfax must apply for an annual license with the Commissioner of the Revenue. Business license taxes are levied annually and are typically based on a business’s gross receipts. All new businesses must submit an application within 30 days of the start of operations. All business licenses expire at the end of each calendar year and must be renewed annually by **March 1**. Businesses in the City of Fairfax are taxed on either their gross receipts or a flat rate basis or both. Most businesses are taxed based on gross receipts. The BPOL tax rate is established annually by the City Council for each business category.

**Fiscal Impact – BPOL Tax**

	<b>FY 2013 Actual</b>	<b>FY 2014 Budget</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Adopted</b>
<b>BPOL Tax</b>	\$8,932,634	\$8,720,000	\$9,100,000	\$9,275,000

Projections are based on year to date BPOL collections and other economic indicators which point to continuing growth. For FY 2015, a 1.9% increase above the FY 2014 estimate is projected.

**Meals Tax**

**Background**

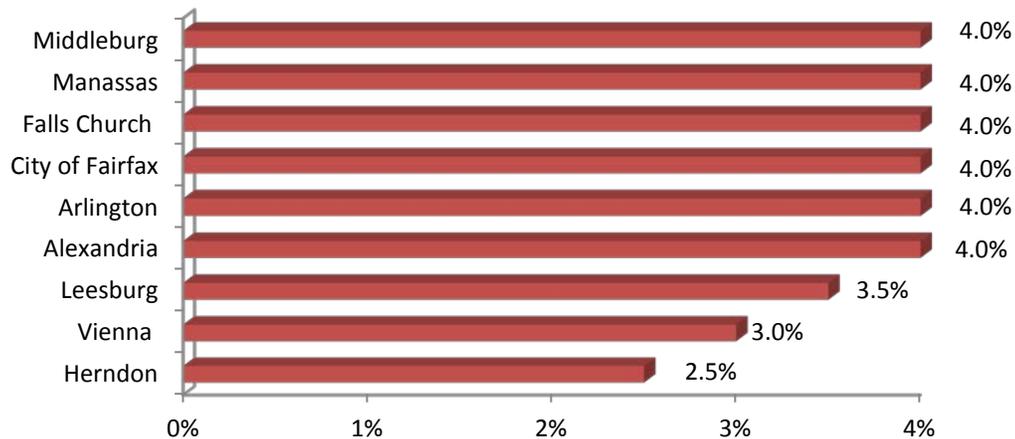
The City of Fairfax imposes a **4%** tax upon all meals sold in the City by a restaurant or similar establishment, whether prepared in the restaurant or not and whether consumed on the premises or not.

**Fiscal Impact – Meals Tax**

	<b>FY 2013 Actual</b>	<b>FY 2014 Budget</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Adopted</b>
<b>Meals Tax Revenue</b>	\$5,553,975	\$5,400,000	\$5,775,000	\$5,975,000
<b>Meals Tax Rate</b>	4%	4%	4%	4%

The City’s meals tax remains a stable source of revenue for the City. The FY 2014 revenue estimate is projected to increase 3.9% from the FY 2013 actual, based on receipts for the first eight months of the current fiscal year. FY 2015 projects another increase over the FY 2014 estimate based on favorable trends and other economic indicators. As the following chart indicates, several area jurisdictions also impose this tax and in most cases at a rate on par with the City.

**Meals Tax Rates FY 2015**



**Tobacco Tax**

**Background**

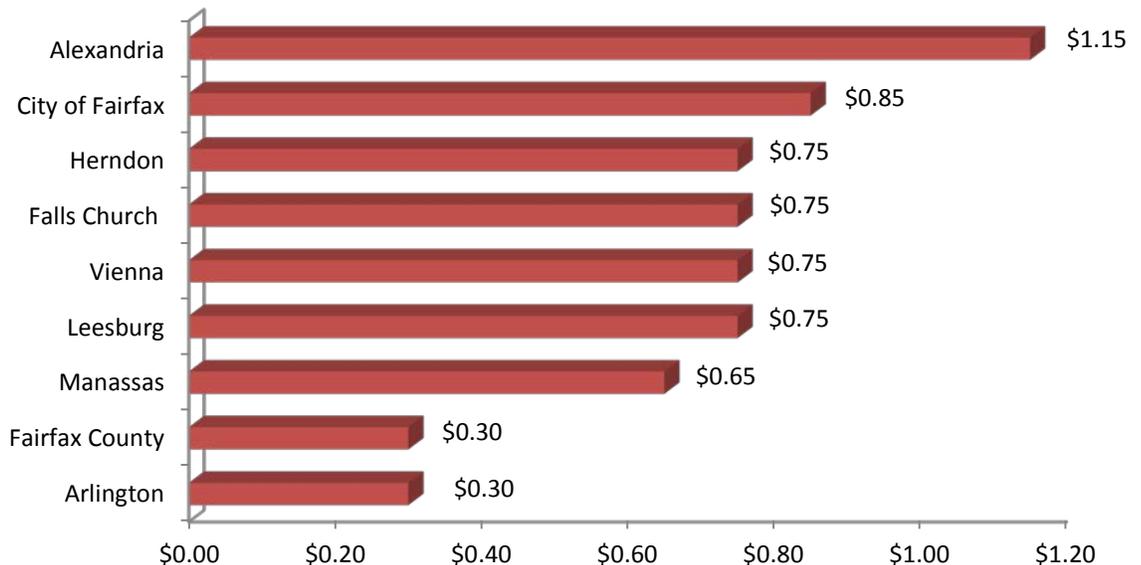
The cigarette tax is **85 cents** for each package of 20 cigarettes sold or used within the City. On January 1, 2010 the Tobacco Tax was increased by 25 cents, from 50 cents to 75 cents per package. On July 1, 2010 the rate was increased by 10 cents, from 75 cents to 85 cents per package.

**Fiscal Impact – Tobacco Tax**

	<b>FY 2013 Actual</b>	<b>FY 2014 Budget</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Adopted</b>
<b>Tobacco Tax Revenue</b>	\$975,457	\$975,000	\$989,937	\$975,000
<b>Tobacco Tax Rate</b>	\$.85	\$.85	\$.85	\$.85

Tobacco tax revenues for the FY 2014 estimate are projected at \$989,937, based on receipts for the first eight months of the current fiscal year, a slight increase of 1.4% from FY 2013 actual revenues. FY 2015 revenues are projected to remain flat with FY 2013 actuals and FY 2014 budget.

**Tobacco Tax Rates FY 2015**



**Transient Lodging Tax**

**Background**

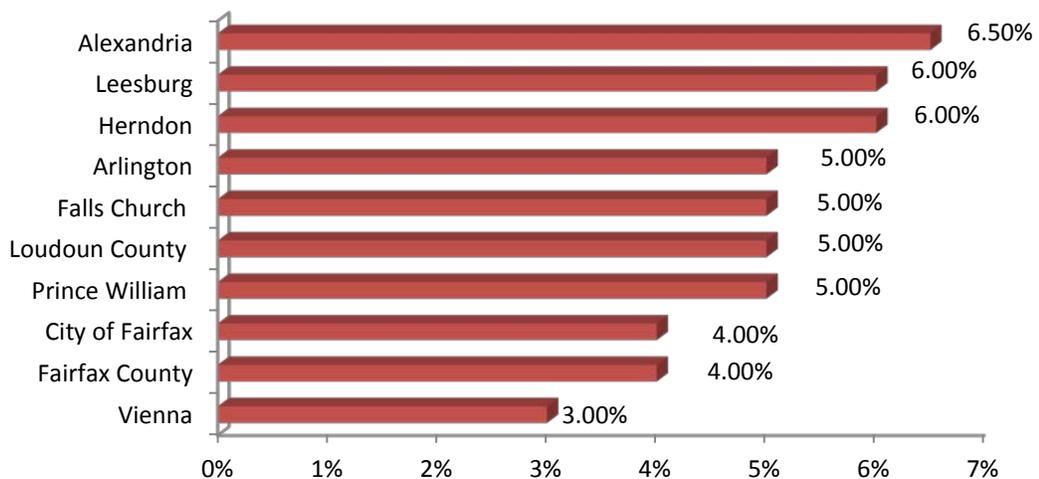
Every public or private hotel, inn, apartment hotel, hostelry, motel, or other lodging place within the city offering lodging for four or more persons at any one time on a transient basis (30 consecutive days or less), is levied a tax on the gross receipts of the lodging. The transient occupancy tax rate is **4 percent** of the total amount of the room rental charge, and is the maximum allowed per City charter. Any increase above the current figure needs approval from the General Assembly.

**Fiscal Impact – Transient Lodging Tax**

	<b>FY 2013 Actual</b>	<b>FY 2014 Budget</b>	<b>FY 2014 Estimate</b>	<b>FY 2014 Adopted</b>
<b>Transient Lodging Tax Revenue</b>	\$668,420	\$700,000	\$731,384	\$780,000
<b>Transient Lodging Tax Rate</b>	4%	4%	4%	4%

The Transient Lodging Tax revenue is projected to increase by 6.6% over the FY 2014 estimate based on the favorable trends seen during the first eight months of the current fiscal year. The City of Fairfax currently has the second lowest rate in the region as shown by the chart below.

**Transient Lodging Tax Rate FY 2015**



**Licenses, Permits, and Fees**

	<b>FY 2013 Actual</b>	<b>FY 2014 Budget</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Adopted</b>
<b>Licenses, Permits, and Fees</b>	\$1,408,601	\$1,415,500	\$1,409,218	\$1,462,869

The City reviews its licenses, permits and fees rates and levies annually to ensure each is on par with other jurisdictions in the region. The budget for FY 2015 recommends a 3.8% increase from the FY 2014 estimate driven by construction-related permits as a result of an improving housing market. The increase in these revenues offset the loss of cellular fee revenue the City used to receive relating to Water Utility assets no longer owned by the City.

**Fines and Forfeitures**

	<b>FY 2013 Actual</b>	<b>FY 2014 Budget</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Adopted</b>
<b>Fines &amp; Forfeitures</b>	\$1,148,262	\$1,368,700	\$1,368,700	\$1,307,700

This category of revenues is projected to decrease by 4.5% (\$61,000) in FY 2015 from the FY 2014 estimate based on recent trends in collections. Parking fines and court fees are driving the majority of this decrease.

**Use of Money and Property**

	<b>FY 2013 Actual</b>	<b>FY 2014 Budget</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Adopted</b>
<b>Use of Money and Property</b>	\$2,162,378	\$2,186,984	\$2,263,709	\$2,297,128

Overall revenues are projected to increase by 1.4% in FY 2015 from the FY 2014 estimate. Increases in investment interest (\$90,000) and rental fees for the Stacy C. Sherwood Community Center (\$67,000) were mostly offset by the \$145,000 decrease in the classroom rental fee. This rental fee is computed by Fairfax County Public Schools (FCPS) based on a formula involving County students attending City schools. The increase in investment interest is driven by projected interest rate increases and additional funds available for longer term investments as a result of the City’s sale of its Water Utility assets in January 2014.

**Charges for Services**

	<b>FY 2013 Actual</b>	<b>FY 2014 Budget</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Adopted</b>
<b>Charges for Services</b>	\$3,249,168	\$3,210,229	\$2,721,805	\$3,018,183

This category is projected to decrease significantly due to a reduction in Ambulance Fee (reimbursement) billing in FY 2014 and FY 2015. Ambulance Fees not covered by insurance are no longer billed to City and Fairfax County residents.

**State Aid**

	<b>FY 2013 Actual</b>	<b>FY 2014 Budget</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Adopted</b>
<b>State Aid</b>	\$11,021,304	\$10,405,865	\$10,426,582	\$10,745,584

Total funding for state aid is projected to increase by 3.0% from the FY 2014 estimate, driven mainly by higher state aid for education and highway maintenance.

**Federal Aid**

	<b>FY 2013 Actual</b>	<b>FY 2014 Budget</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Adopted</b>
<b>Federal Aid</b>	\$297,534	\$213,975	\$226,300	\$228,800

Federal Aid is typically dedicated to public safety areas, and is expected to remain in line with the FY 2014 estimate. The City did not add or lose any significant grants.