

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, and to 11.5¢ for the FY 2019 Adopted Budget and to 12.5¢ (maximum allowed by state) for the FY 2020 Adopted Budget. One penny on the commercial property tax rate is equivalent to approximately \$194,820, and the FY 2021 adopted rate of 12.5¢ per \$100 of assessed value generates approximately \$2,435,254 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. 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 2021 Adopted Budget - City of Fairfax, Virginia

**City of Fairfax, Virginia
FY 2021 Transportation Tax Fund
Budget Summary**

	FY 2019 <u>Actual</u>	FY 2020 <u>Budget</u>	FY 2020 <u>Estimate</u>	FY 2021 <u>Adopted</u>	Variance to <u>Budget \$</u>	Variance to <u>Budget %</u>
Fund Balance - Beginning	\$7,352,434	\$ 7,674,952	\$ 3,719,288	\$ 5,537,784		
Revenues						
NVTA 30% Revenue	2,307,667	\$ 2,370,103	\$ 2,382,886	\$ 1,717,612	\$ (652,491)	-27.53%
Other State Revenue	-	-	-	-	-	0.00%
Transfer from General Fund (C & I Tax)	2,203,096	2,393,726	2,389,863	2,435,254	41,528	1.73%
Transfer from Water Fund	188,248	-	-	-	-	0.00%
Total Revenues	\$ 4,699,011	\$ 4,763,829	\$ 4,772,749	\$ 4,152,866	\$ (610,963)	-12.83%
Expenses						
Capital Projects (C&I)	260,875	535,978	535,978	739,382	203,404	37.95%
Transfer to Capital Projects Fund	5,587,615	270,000	270,000	1,611,695	1,341,695	496.92%
Transfer to Other Funds	-	88,008	-	-	(88,008)	-100.00%
Transfer to Transit Fund	2,483,667	2,148,275	2,148,275	2,459,250	310,975	14.48%
Total Expenses	\$ 8,332,157	\$ 3,042,261	\$ 2,954,253	\$ 4,810,327	\$ 1,768,066	58.12%
Cash Balance - Ending	3,719,288	\$ 9,396,520	\$ 5,537,784	\$ 4,880,323		

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