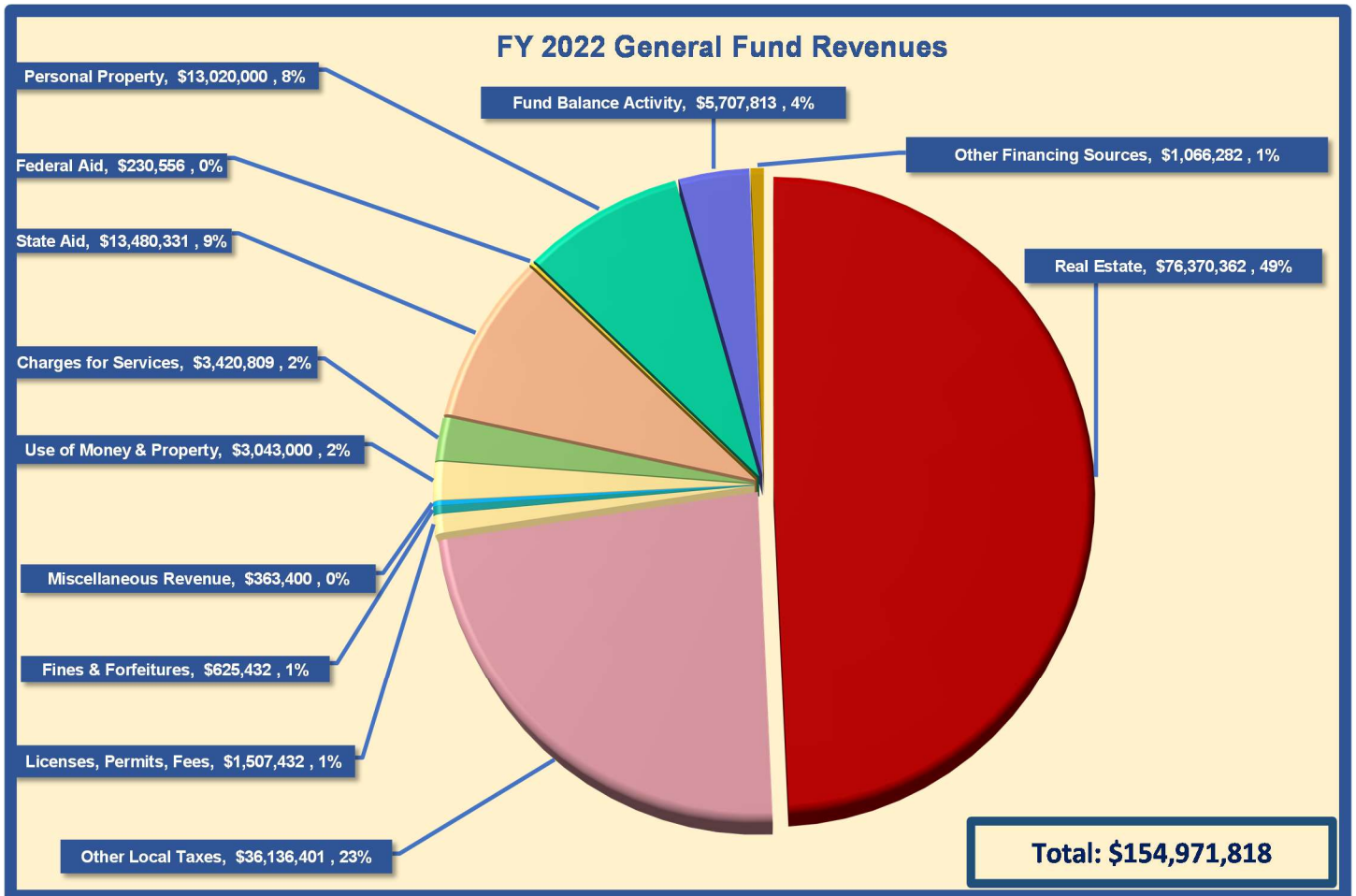


# **GENERAL FUND REVENUE OVERVIEW**

## FY 2022 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 FY 2022 Adopted Budget.



The Use of Undesignated Fund Balance in the amount of **\$5,707,813** is funded by the estimated FY 2021 Unassigned General Fund Balance. The ending Unassigned General Fund Balance is equal to approximately **12.0 percent (\$17.4M)** of adopted General Fund revenues.

## FY 2022 Adopted Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account #	Account Title	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted	Variance to Budget \$	Variance to Budget %
<b>General Property Taxes</b>							
311110	Real Estate Current December	\$ 31,907,383	\$ 33,225,712	\$ 33,225,712	\$ 34,509,009	\$ 1,283,297	3.86%
311111	Real Estate Current June	33,226,685	35,230,713	35,405,713	35,527,538	296,825	0.84%
311112	Real Estate Old Town - June	-	-	-	-	-	0.00%
311113	Delinquent Real Estate	145,027	260,000	350,000	325,000	65,000	25.00%
311114	Real Estate Old Town - December	100,140	-	-	-	-	0.00%
311116	Delinquent R/E Old Town District	414	-	-	-	-	0.00%
311119	Delinquent R/E Commercial	(166)	12,000	20,000	20,000	8,000	66.67%
311120	Stormwater Fund Tax	1,876,199	1,842,461	1,946,804	2,005,409	162,948	8.84%
311121	Comm. Real Estate Tax Rate Trans. - June	1,183,732	1,215,881	1,215,881	1,147,368	(68,513)	-5.63%
311122	Comm. Real Estate Tax Rate Trans. - Dec	1,190,291	1,207,373	1,207,373	1,145,625	(61,748)	-5.11%
311199	RE Revenue Reductions	-	-	-	-	-	0.00%
311210	Personal Property Current	11,785,896	12,330,351	11,730,351	12,500,000	169,649	1.38%
311213	Delinquent Personal Property	114,191	125,000	245,000	245,000	120,000	96.00%
311311	PSC R/E Current	1,247,486	1,196,567	1,196,567	1,230,414	33,847	2.83%
311312	PSC PP Current	312,858	240,000	240,000	275,000	35,000	14.58%
311313	PSC R/E Delinquent	(12,048)	-	-	-	-	0.00%
311410	Penalties on Delinquent Taxes	397,292	110,000	350,000	370,000	260,000	236.36%
311411	Interest on Delinquent Taxes	104,401	90,000	90,000	90,000	-	0.00%
<b>Total General Property Taxes</b>		<b>\$ 83,579,781</b>	<b>\$ 87,086,057</b>	<b>\$ 87,223,400</b>	<b>\$ 89,390,362</b>	<b>\$ 2,304,305</b>	<b>2.65%</b>
<b>Other Local Taxes</b>							
312010	Local Sales & Use Tax	\$ 11,790,794	\$ 8,594,283	\$ 12,287,759	\$ 12,524,180	\$ 3,929,897	45.73%
312011	Consumers Utility Tax	1,500,793	1,290,000	1,443,736	1,500,793	210,793	16.34%
312012	Business & Occupational Licenses	9,249,810	6,650,000	7,987,673	9,344,777	2,694,777	40.52%
312013	Motor Vehicle Licenses	700,470	725,000	676,040	743,644	18,644	2.57%
312014	Recordation Tax	533,959	475,000	898,887	674,166	199,166	41.93%
312015	Bank Franchise Tax	2,621,542	2,393,515	2,954,000	2,954,000	560,485	23.42%
312016	Tobacco Tax	566,145	599,830	501,440	506,145	(93,685)	-15.62%
312017	Transient Lodging Tax	429,193	250,000	177,627	429,193	179,193	71.68%
312018	Meals Tax	5,501,543	3,250,000	5,084,006	5,592,406	2,342,406	72.07%
312021	Consumption Tax	89,970	112,000	72,429	101,652	(10,348)	-9.24%
312023	Local S&U - Moped & ATV	-	-	-	-	-	0.00%
312024	Communication Taxes	1,883,944	2,000,000	1,747,966	1,765,445	(234,555)	-11.73%
<b>Total Other Local Taxes</b>		<b>\$ 34,868,162</b>	<b>\$ 26,339,628</b>	<b>\$ 33,831,563</b>	<b>\$ 36,136,401</b>	<b>\$ 9,796,773</b>	<b>37.19%</b>

## FY 2022 Adopted Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account #	Account Title	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted	Variance to Budget \$	Variance to Budget %
<b>Licenses, Permits &amp; Fees</b>							
313202	Building Permits	\$ 226,401	\$ 250,000	\$ 315,147	\$ 250,000	\$ -	0.00%
313203	Electrical Permits	95,571	100,000	228,985	100,000	-	0.00%
313204	Plumbing Permits	46,391	90,000	90,000	90,000	-	0.00%
313205	Mechanical Permits	88,760	100,000	126,399	100,000	-	0.00%
313206	Elevator Inspection	60,351	70,000	70,000	70,000	-	0.00%
313225	Rental Housing Occupancy	5,700	2,000	2,000	2,000	-	0.00%
313226	Fire Marshal Permit	83,260	115,000	115,000	115,000	-	0.00%
313227	Fire Protection System Permit	23,927	70,000	70,000	70,000	-	0.00%
313231	Fire Marshal Development Fees	11,423	30,000	30,000	30,000	-	0.00%
313233	Public Safety Fee	48,859	50,000	50,000	50,000	-	0.00%
313234	Reinspection Fees	7,537	12,000	1,120	12,000	-	0.00%
313240	State Levy - Construction Permits	(4)	1,300	1,324	-	(1,300)	-100.00%
313308	Sign Permits	18,153	20,053	16,000	19,400	(653)	-3.26%
313309	Occupancy Permits	20,115	25,821	25,821	23,717	(2,104)	-8.15%
313310	Soil & Erosion Fees	10,520	12,880	12,880	13,012	132	1.02%
313323	Zoning Fees	73,050	123,808	58,808	61,968	(61,840)	-49.95%
313328	Special Use Permits	84,975	77,093	25,000	57,143	(19,950)	-25.88%
313329	Variances	3,035	2,100	2,100	3,692	1,592	75.81%
313411	Cemetery Interments	74,030	70,000	70,000	70,000	-	0.00%
313412	Columbarium Interments	2,135	-	2,135	-	-	0.00%
313420	Street Opening Permits	50,900	50,000	84,525	50,000	-	0.00%
313440	Public Right of Way Use	142,552	305,000	130,000	150,000	(155,000)	-50.82%
313442	Mobility Pilot Permit Fee	15,980	17,000	17,000	16,000	(1,000)	-5.88%
313510	Animal Licenses	10,827	8,000	5,000	5,000	(3,000)	-37.50%
313512	Peddlers Permits	6,350	10,000	10,000	10,000	-	0.00%
313620	Transfer Fees	116,089	125,000	125,000	125,000	-	0.00%
313630	Cellular Comm	12,322	13,500	13,500	13,500	-	0.00%
<b>Total Licenses, Permits &amp; Fees</b>		<b>\$ 1,339,208</b>	<b>\$ 1,750,555</b>	<b>\$ 1,697,744</b>	<b>\$ 1,507,432</b>	<b>\$ (243,123)</b>	<b>-13.89%</b>
<b>Fines &amp; Forfeitures</b>							
314001	Court Fines & Forfeitures	\$ 412,811	\$ 270,000	\$ 180,000	\$ 145,000	\$ (125,000)	-46.30%
314002	Parking Fines	121,785	100,000	85,000	75,000	(25,000)	-25.00%
314003	Juvenile Court	-	1,000	1,000	-	(1,000)	-100.00%
314005	Circuit Court Revenue	40,204	45,000	20,000	40,000	(5,000)	-11.11%
314006	Court Facilities Fee	9,557	14,000	4,608	9,000	(5,000)	-35.71%
314010	Zoning Civil Penalties	400	1,672	1,672	1,032	(640)	-38.28%
314011	Photo Red Light	479,470	420,000	230,000	200,000	(220,000)	-52.38%
314012	Jail Admin Fee	444	1,100	325	400	(700)	-63.64%
314013	Courthouse Security	50,640	81,000	25,000	40,000	(41,000)	-50.62%
314014	Speed Camera Enforcement	-	-	-	115,000	115,000	0.00%
314030	Fire Restitution	3,079	-	-	-	-	0.00%
<b>Total Fines &amp; Forfeitures</b>		<b>\$ 1,118,390</b>	<b>\$ 933,772</b>	<b>\$ 547,605</b>	<b>\$ 625,432</b>	<b>\$ (308,340)</b>	<b>-33.0%</b>

## FY 2022 Adopted Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account #	Account Title	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted	Variance to Budget \$	Variance to Budget %
<b>Use of Money &amp; Property</b>							
315101	Interest on Investments	\$ 548,252	\$ 400,000	\$ 190,000	\$ 125,000	\$ (275,000)	-68.75%
315102	Interest on Bond Investments	345	-	-	-	-	0.00%
315106	Unrealized Gain/Loss	257,977	20,480	(120,000)	-	(20,480)	-100.00%
315202	Rental - Old Town Hall	83,202	-	12,000	170,000	170,000	0.00%
315203	Rental - Green Acres	73,774	-	20,000	130,000	130,000	0.00%
315206	Rental - Schools	1,965,759	1,986,000	1,986,000	1,986,000	-	0.00%
315208	Rental - Community Center	191,604	-	30,000	310,000	310,000	0.00%
315209	Rental - Main Street Day Care	40,950	47,000	42,000	47,000	-	0.00%
315211	Rental - Blenheim	38,324	-	8,000	80,000	80,000	0.00%
315213	Rental - Ball Fields	40,690	-	25,000	45,000	45,000	0.00%
318291	Firing Range Rev - FC	16,635	-	-	-	-	0.00%
318292	Firing Range Rev - GMU	55,063	150,000	150,000	150,000	-	0.00%
<b>Total Use of Money &amp; Property</b>		<b>\$ 3,312,576</b>	<b>\$ 2,603,480</b>	<b>\$ 2,343,000</b>	<b>\$ 3,043,000</b>	<b>\$ 439,520</b>	<b>16.88%</b>
<b>Charges for Services</b>							
316110	Court Fees	\$ 3,251	\$ 5,000	\$ 2,222	\$ 5,000	\$ -	0.00%
316220	Sale of Record Copies	3,287	3,500	2,660	3,500	-	0.00%
316221	False Alarm Fees	13,660	14,000	13,425	12,000	(2,000)	-14.29%
316223	Ambulance Fees	964,438	1,080,000	725,000	1,000,000	(80,000)	-7.41%
316225	Fire Recovery Fee - GMU	225,000	225,000	225,000	225,000	-	0.00%
316230	Animal Control Fees	1,875	2,000	2,000	2,000	-	0.00%
316245	FFX Water	61,579	61,580	61,580	61,580	-	0.00%
316290	Hazmat Reimbursement	-	-	-	-	-	0.00%
316346	Community Programming	13,634	-	500	10,000	10,000	0.00%
316347	Sherwood Programming	204,146	-	-	200,000	200,000	0.00%
316348	Green Acres Programming	30,125	-	55,984	30,000	30,000	0.00%
316349	Senior Programs	44,678	-	7,600	45,000	45,000	0.00%
316350	Teen Adult Day Trips	111	-	-	-	-	0.00%
316351	Day Camps	78,247	-	250,000	750,000	750,000	0.00%
316352	Pavilion Rentals	9,764	-	20,000	25,000	25,000	0.00%
316353	Cultural Arts	4,269	5,000	2,500	5,000	-	0.00%
316354	Special Events	182,445	-	25,000	185,000	185,000	0.00%
316355	Museum Revenue	1,106	1,000	245	1,000	-	0.00%
316356	Museum Gift Shop	8,157	11,500	4,000	8,000	(3,500)	-30.43%
316357	Show Mobile Revenue	4,050	-	-	9,000	9,000	0.00%
316460	Sale of Publications	-	45	-	45	-	0.00%
316461	Subdivision Review Fees	10,685	15,852	11,260	16,203	351	2.21%
316462	Site Plan Review Fees	70,585	104,529	89,529	87,427	(17,102)	-16.36%
316463	Architectural Review	3,905	4,461	1,970	4,110	(351)	-7.87%
316464	Tree Removal Permit	2,420	2,162	2,525	2,374	212	9.81%
316466	Surety Review	9,010	13,755	10,370	12,770	(985)	-7.16%
316570	School Age Child Care	542,198	690,000	690,000	690,000	-	0.00%
316580	Returned Check Fees	1,567	1,500	1,500	1,500	-	0.00%
316585	Administrative Fees	1,500	1,500	300	300	(1,200)	-80.00%
316586	Collection Fees	14,565	40,000	12,000	9,000	(31,000)	-77.50%
316684	Advertising	-	-	-	-	-	0.00%
316811	Inspection Fees After Hours	35,905	20,000	63,250	20,000	-	0.00%
<b>Total Charges for Services</b>		<b>\$ 2,546,161</b>	<b>\$ 2,302,384</b>	<b>\$ 2,280,420</b>	<b>\$ 3,420,809</b>	<b>\$ 1,118,425</b>	<b>48.58%</b>

## FY 2022 Adopted Budget – City of Fairfax, Virginia

General Fund Revenue Summary							
Account #	Account Title	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted	Variance to Budget \$	Variance to Budget %
<b>Miscellaneous Revenue</b>							
318102	Sale of Surplus Property	\$ 98,840	\$ 120,000	\$ 370,483	\$ 200,000	\$ 80,000	66.67%
318104	Sale of Cemetery Lot	84,672	60,000	70,883	60,000	-	0.00%
318105	Perpetual Care - Cemetery	11,892	9,200	9,867	9,200	-	0.00%
318108	Sale of City License Plates	4,200	4,700	4,050	4,200	(500)	-10.64%
318201	Misc. Revenue	633,685	90,000	10,000	90,000	-	0.00%
318208	Misc. Revenue - Restricted	27,288	-	-	-	-	0.00%
<b>Total Miscellaneous Revenue</b>		<b>\$ 860,577</b>	<b>\$ 283,900</b>	<b>\$ 465,283</b>	<b>\$ 363,400</b>	<b>\$ 79,500</b>	<b>28.00%</b>
<b>State Aid</b>							
321103	Rolling Tax	\$ 330	\$ -	\$ 353	\$ -	\$ -	0.00%
321104	State Aid Police	661,856	670,000	670,000	670,000	-	0.00%
321106	Vehicle Rental Tax	455,980	243,500	390,000	425,000	181,500	74.54%
321201	Commissioner of Revenue	153,541	153,000	153,942	154,000	1,000	0.65%
321202	Treasurer	111,892	114,000	111,909	112,000	(2,000)	-1.75%
321203	Registrar /Electoral	61,958	45,000	50,000	50,000	5,000	11.11%
321204	DMV Reimbursement	78,949	108,000	130,000	130,000	22,000	20.37%
321205	Game of Skill Tax	-	-	7,056	-	-	0.00%
324201	State Sales Tax	3,829,539	2,284,360	3,684,360	3,729,230	1,444,870	63.25%
324202	Basic School Aid	5,006,657	5,295,815	5,545,815	5,309,101	13,286	0.25%
324302	Four for Life Grants	-	25,000	34,009	20,000	(5,000)	-20.00%
324344	VDFP Aid to Localities	82,185	70,000	70,000	70,000	-	0.00%
324403	Street & Highway Maint.	2,781,130	2,800,000	2,800,000	2,800,000	-	0.00%
324405	Solid Waste Grant	4,883	6,000	5,608	6,000	-	0.00%
324410	VDOT	1,629	-	-	-	-	0.00%
324447	Judicial Trail Cxn VDOT	17,516	-	-	-	-	0.00%
324450	EV Charging Station VDOT	12,105	-	-	-	-	0.00%
324608	Historic Preservation Grant	-	-	-	5,000	5,000	0.00%
324614	Arts Grant	890	4,500	4,500	-	(4,500)	-100.00%
<b>Total State Aid</b>		<b>\$ 13,261,041</b>	<b>\$ 11,819,175</b>	<b>\$ 13,657,552</b>	<b>\$ 13,480,331</b>	<b>\$ 1,661,156</b>	<b>14.05%</b>

## FY 2022 Adopted Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account #	Account Title	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted	Variance to Budget \$	Variance to Budget %
<b>Federal Aid</b>							
331005	Bulletproof Vest Grant	\$ 4,481	\$ 3,500	\$ 3,500	\$ 4,000	\$ 500	14.29%
331009	Alcohol Safety Grant	10,611	12,000	12,000	13,240	1,240	10.33%
331010	Gang Task Force Grant	20,327	-	-	-	-	0.00%
331018	NCR Regional Planner	166,525	156,516	156,516	156,516	-	0.00%
331021	Speed Enforcement Grant	5,413	10,000	10,000	7,500	(2,500)	-25.00%
331040	2016 SAFER Grant	64,496	-	-	-	-	0.00%
331044	AFG (FLAM,Paramedic,FMO)	123,273	-	-	-	-	0.00%
331046	LEMPG Grant	7,500	7,500	7,500	7,500	-	0.00%
331048	Volunteer & Citizens Corp	32,715	22,000	22,000	22,000	-	0.00%
331058	2018 SAFER Grant	-	41,091	41,091	-	(41,091)	-100.00%
331059	FY 2019 SHSP Training Exercises Conferences	-	9,400	9,400	-	(9,400)	-100.00%
331060	FY 2019 SHSP Special Ops Swiftwater/Flood Rescue	-	12,500	12,500	-	(12,500)	-100.00%
331061	COVID FEMA FED	263,333	-	290,788	-	-	0.00%
331062	Cares Funding	320,000	-	3,871,130	-	-	0.00%
331063	AFG COVID19 Supplemental	-	-	-	-	-	0.00%
331065	Bicycle and Pedestrian Grant	-	-	-	3,750	3,750	0.00%
331066	CESF Grant-COVID	-	-	-	16,050	16,050	0.00%
332066	Municipal Utility Relief Funds	-	-	49,039	-	-	0.00%
335009	NPS Preservation Grant	-	-	-	-	-	0.00%
336006	Cares Act Grant	-	-	51,493	-	-	0.00%
343001	CTCL COVID19 Grant	-	-	14,175	-	-	0.00%
<b>Total Federal Aid</b>		<b>\$ 1,018,674</b>	<b>\$ 274,507</b>	<b>\$ 4,551,132</b>	<b>\$ 230,556</b>	<b>\$ (43,951)</b>	<b>-16.01%</b>
<b>Other Financing Sources</b>							
318288	FPYC Turf Contribution	\$ 46,282	\$ 19,000	\$ 46,282	\$ 46,282	\$ 27,282	143.59%
318289	Schools Turf Contribution	20,000	20,000	20,000	20,000	-	0.00%
319008	City - County Contract	867,277	971,424	913,016	925,000	(46,424)	-4.78%
341020	Bond Proceeds	488,711	-	-	-	-	0.00%
342030	Insurance Recoveries	77,631	75,000	80,000	75,000	-	0.00%
347360	Transfers from Other Funds	-	88,000	-	-	(88,000)	-100.00%
<b>Total Other Financing Sources</b>		<b>\$ 1,499,901</b>	<b>\$ 1,173,424</b>	<b>\$ 1,059,298</b>	<b>\$ 1,066,282</b>	<b>\$ (107,142)</b>	<b>-9.13%</b>
<b>Total Revenues</b>		<b>\$ 143,404,472</b>	<b>\$ 134,566,882</b>	<b>\$ 147,656,997</b>	<b>\$ 149,264,005</b>	<b>\$ 14,697,123</b>	<b>10.92%</b>
<b>Fund Balance Activity</b>							
	Restricted Funds (Revenue Contingency)	\$ -	\$ (200,000)	\$ -	\$ -	\$ 200,000	100.00%
	Restricted Funds (Business Revenue Contingency)	-	(1,467,329)	-	-	1,467,329	100.00%
	Use of Prior Years' Surplus (unassigned)	-	2,740,187	-	5,707,813	2,967,626	108.30%
<b>Total Fund Balance Activity</b>		<b>\$ -</b>	<b>\$ 1,072,858</b>	<b>\$ -</b>	<b>\$ 5,707,813</b>	<b>\$ 4,634,955</b>	<b>432.02%</b>
<b>Total Revenue Available</b>		<b>\$ 143,404,472</b>	<b>\$ 135,639,740</b>	<b>\$ 147,656,997</b>	<b>\$ 154,971,818</b>	<b>\$ 19,332,078</b>	<b>14.25%</b>

FY 2022 Adopted Budget – City of Fairfax, Virginia

History of General Fund Revenues by Category

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	2020 Actual	2021 Estimate	2022 Adopted
<b>Real Estate</b>	\$ 57,072,395	\$ 59,505,606	\$ 61,441,513	\$ 64,699,575	\$ 66,790,301	\$ 67,892,659	\$ 69,783,177	\$ 71,378,885	\$ 75,008,049	\$ 76,370,362
<b>Personal Property</b>	10,377,334	10,243,702	10,171,214	10,777,155	11,447,025	11,511,625	11,524,614	12,200,896	12,215,351	13,020,000
<b>Sales Tax</b>	10,263,955	11,580,673	11,181,816	11,283,271	11,276,435	11,721,703	11,836,812	11,790,794	12,287,759	12,524,180
<b>BPOL</b>	8,932,634	8,709,712	8,740,824	8,838,556	8,698,368	8,745,395	9,344,777	9,249,810	7,987,673	9,344,777
<b>Meals Tax</b>	5,553,975	5,703,399	5,771,329	5,918,534	5,972,064	5,967,535	6,374,777	5,501,543	5,084,006	5,592,406
<b>Other Local Taxes</b>	8,384,251	8,375,385	8,543,760	8,511,155	8,563,296	8,827,582	8,800,615	8,326,016	8,472,125	8,675,038
<b>Licenses, Permits, and Fees</b>	1,408,601	1,434,496	1,300,349	1,341,098	1,427,234	1,678,675	1,368,526	1,339,208	1,697,744	1,507,432
<b>Fines &amp; Forfeitures</b>	1,148,262	1,113,719	1,233,802	1,232,773	1,344,266	1,408,265	1,312,019	1,118,390	547,605	625,432
<b>Use of Money &amp; Property</b>	2,162,378	2,696,575	2,725,994	2,661,993	2,460,115	2,741,250	3,614,464	3,312,576	2,343,000	3,043,000
<b>Charges for Services</b>	3,249,168	3,049,479	3,304,373	3,387,913	3,388,964	3,744,262	3,943,282	2,546,161	2,280,420	3,420,809
<b>Intergovernmental</b>	11,318,838	11,480,641	11,854,303	12,101,966	12,927,118	13,382,207	13,272,473	14,279,715	18,208,684	13,710,887
<b>Other Financing Sources / Misc.</b>	1,152,263	1,043,308	1,460,877	1,741,602	1,222,088	1,449,854	1,595,248	2,360,478	1,524,581	1,429,682
<b>Fund Balance Activity</b>	-	1,260,278	1,164,306	-	-	-	-	-	-	5,707,813
<b>Total Revenue</b>	<b>\$121,024,054</b>	<b>\$126,196,973</b>	<b>\$128,894,460</b>	<b>\$132,495,591</b>	<b>\$ 135,517,274</b>	<b>\$139,071,012</b>	<b>\$142,770,784</b>	<b>\$143,404,472</b>	<b>\$147,656,997</b>	<b>\$154,971,818</b>



# Major Revenue Sources

## Real Estate Tax

### Background

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

### Fiscal Impact – Real Estate Tax Revenue

Category	FY 2021 Budget	FY 2022 Adopted	Variance	
			\$	%
Real Estate Tax Revenue	\$ 71,955,452	\$ 74,057,370	\$ 2,101,917	2.9%
Base Real Estate Tax Rate	1.0450	1.0450	\$ -	0.0%
Stormwater Tax Rate	0.0300	0.0300	\$ -	0.0%
<b>Total Real Estate Tax Rate</b>	<b>1.0750</b>	<b>1.0750</b>	<b>\$ -</b>	<b>0.0%</b>

Category	FY 2021 Budget	FY 2022 Adopted	Variance	
			\$	%
Old Town Service District Revenue	\$ -	\$ -	\$ -	0.0%
<b>Old Town Service District Tax Rate</b>	<b>6.0¢</b>	<b>6.0¢</b>	<b>-</b>	<b>0.0%</b>

Category	FY 2021 Budget	FY 2022 Adopted	Variance	
			\$	%
Commercial & Industrial Revenue	\$ 2,435,254	\$ 2,312,992	\$ (122,262)	-5.0%
<b>Commercial &amp; Industrial Tax Rate</b>	<b>12.5¢</b>	<b>12.5¢</b>	<b>-</b>	<b>0.0%</b>

Real property tax revenues account for the largest category of revenue for the General Fund, representing 47.8 percent of total General Fund revenues. For the FY 2022 Adopted Budget, the real estate base tax rate adopted is \$1.075, which includes 3.0¢ dedicated for the Stormwater Fund. The Stormwater Fund revenues are dedicated to meet federal and state regulatory requirements along with maintenance of aging stormwater infrastructure.

**FY 2022 Adopted Budget – City of Fairfax, Virginia**

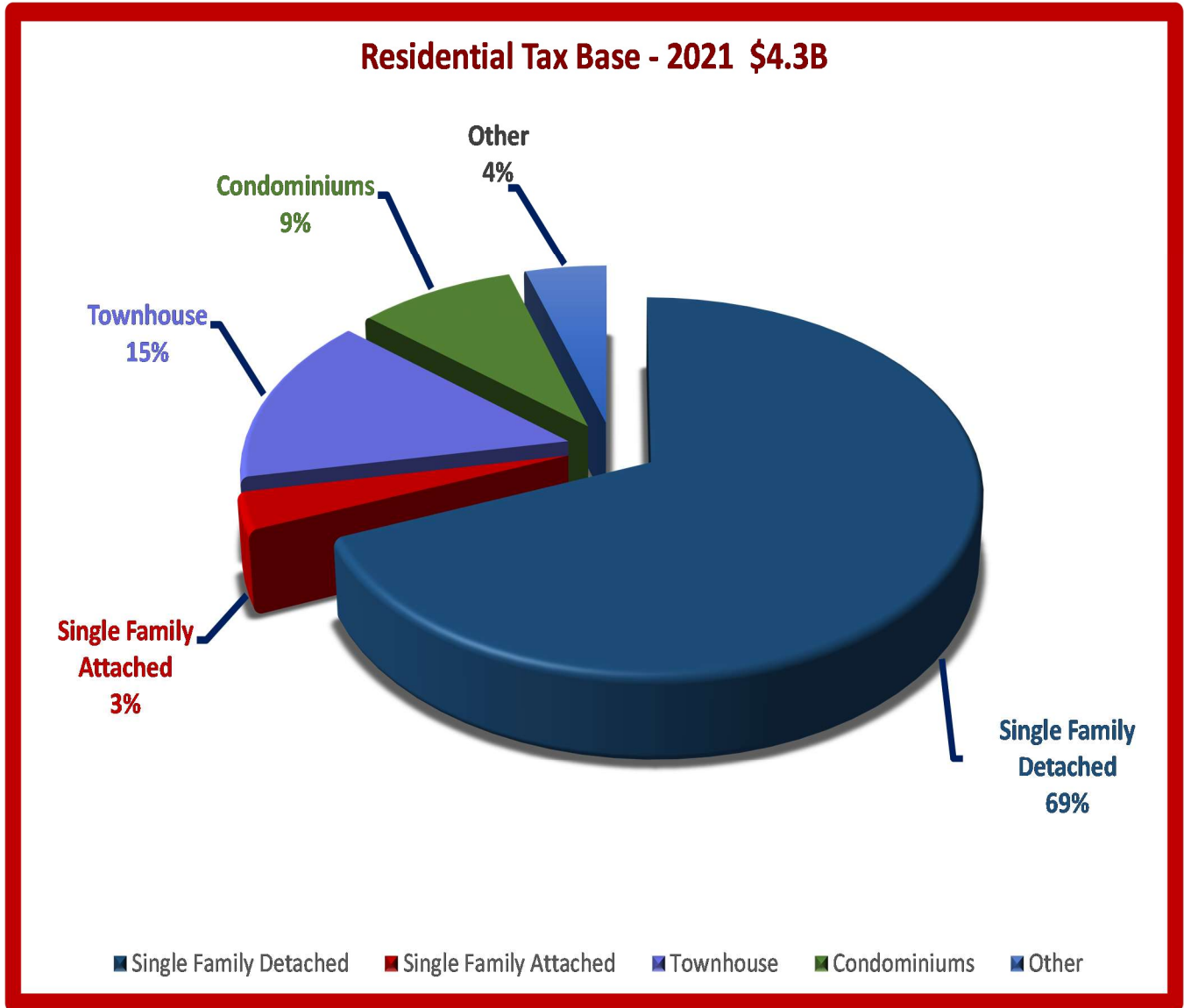
Total real estate assessments are up 3.2 percent, which includes new construction of \$174.7 million; however slightly lower compared to a 3.9 percent increase for the previous calendar year.

Assessments	CY 2020	CY 2021	Variance	
			\$	%
Residential	\$ 4,119,630,100	\$ 4,336,783,000	\$ 217,152,900	5.3%
Commercial	\$ 2,320,364,200	\$ 2,307,551,150	\$ (12,813,050)	-0.6%
<b>Total</b>	<b>\$ 6,439,994,300</b>	<b>\$ 6,644,334,150</b>	<b>\$ 204,339,850</b>	<b>3.2%</b>

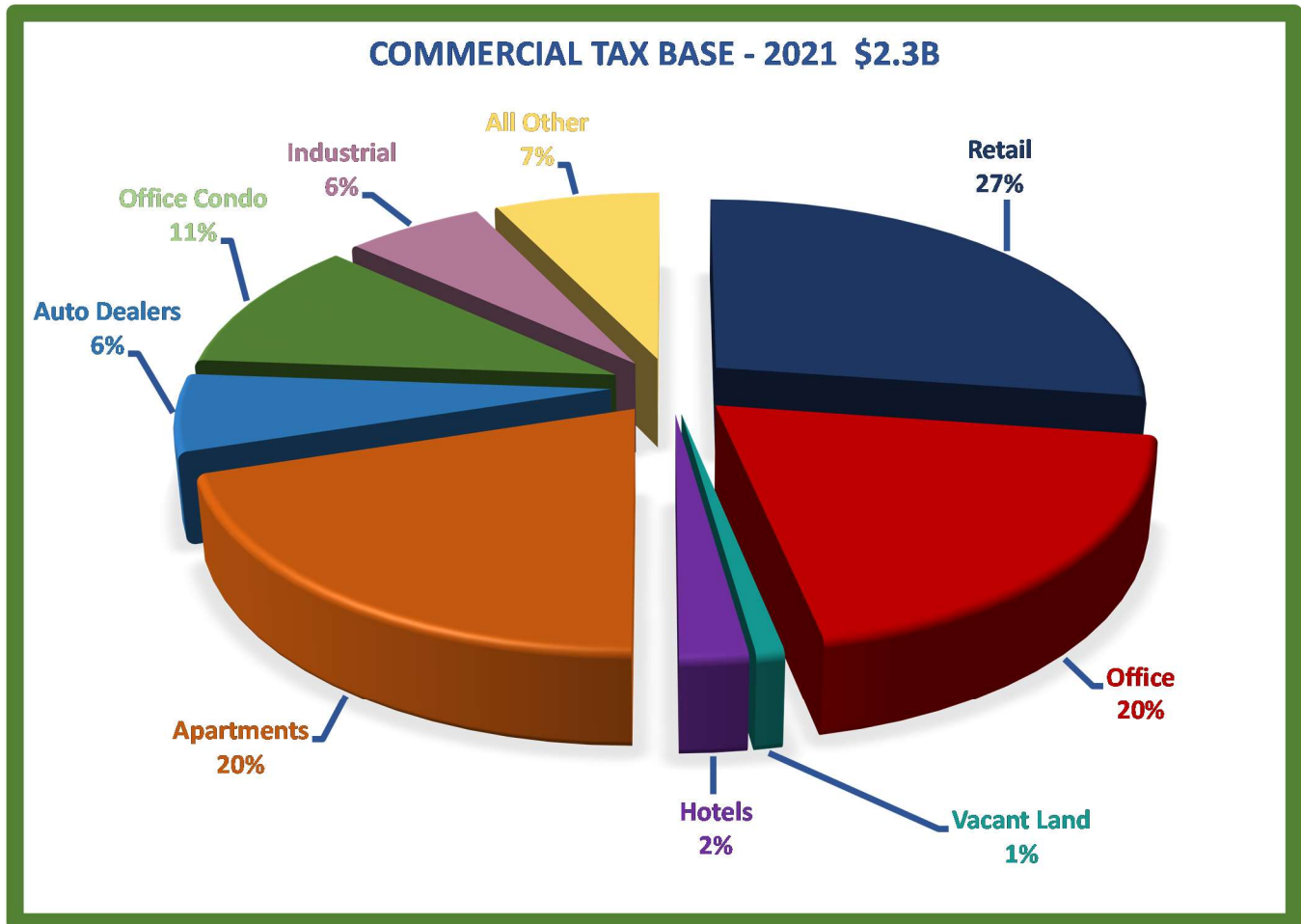


For calendar year 2021 total taxable value of City residential and commercial properties before appeals is \$6,644,334,150, an increase from last year’s total assessed value, \$6,439,994,300 (3.2%).

The overall residential assessment total, including new construction, has increased from CY 2020 by 5.27 percent. The following illustrates the breakout by category for the residential tax base.



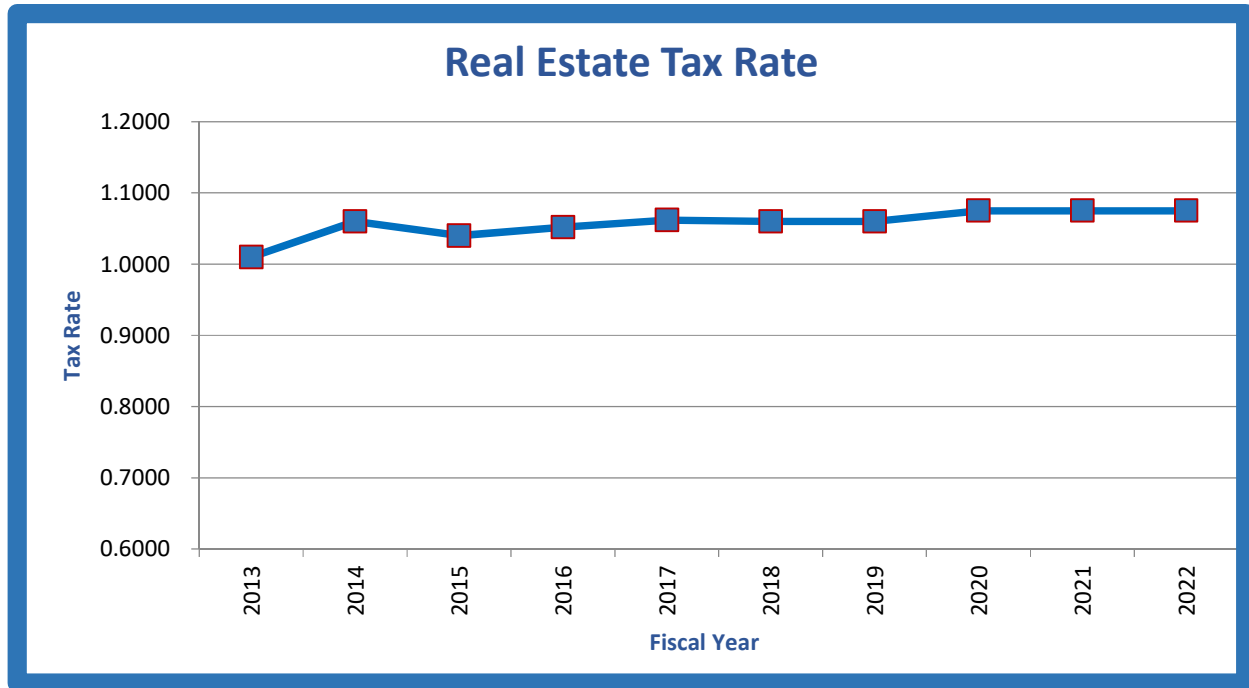
Commercial assessments decreased 0.6 percent overall, which includes new construction. The following represents the breakout by category for the commercial tax base.



For FY 2021, the Old Town Service District tax rate was reduced to zero cents per \$100 of assessed value as a result of the impact of the COVID19 pandemic on local businesses. For FY 2022, the rate remains at zero cents per \$100 assessed value.

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 rate was increased to 7.5¢ for the FY 2016 budget, to 9.5¢ for the FY 2017 budget, to 10.5¢ for the FY 2018 budget, to 11.5¢ for the FY 2019 budget, and for FY 2020, increased the rate to the allowable maximum of 12.5¢. For FY 2022, the rate remains 12.5¢.

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 22.5 and 25.25 cents per \$100 of assessed value (adopted fiscal year 2022 rates) on top of Fairfax County rate, respectively.

The City’s adopted real estate tax rate \$1.075, includes 3.0¢ dedicated to stormwater. The average residential tax bill is expected to increase by 3.7 percent. The following chart provides an example of three residential assessed values:

**Impact of FY 2022 Real Estate Tax Rate  
On Residential Property Owner’s Tax Bill at Various Values**

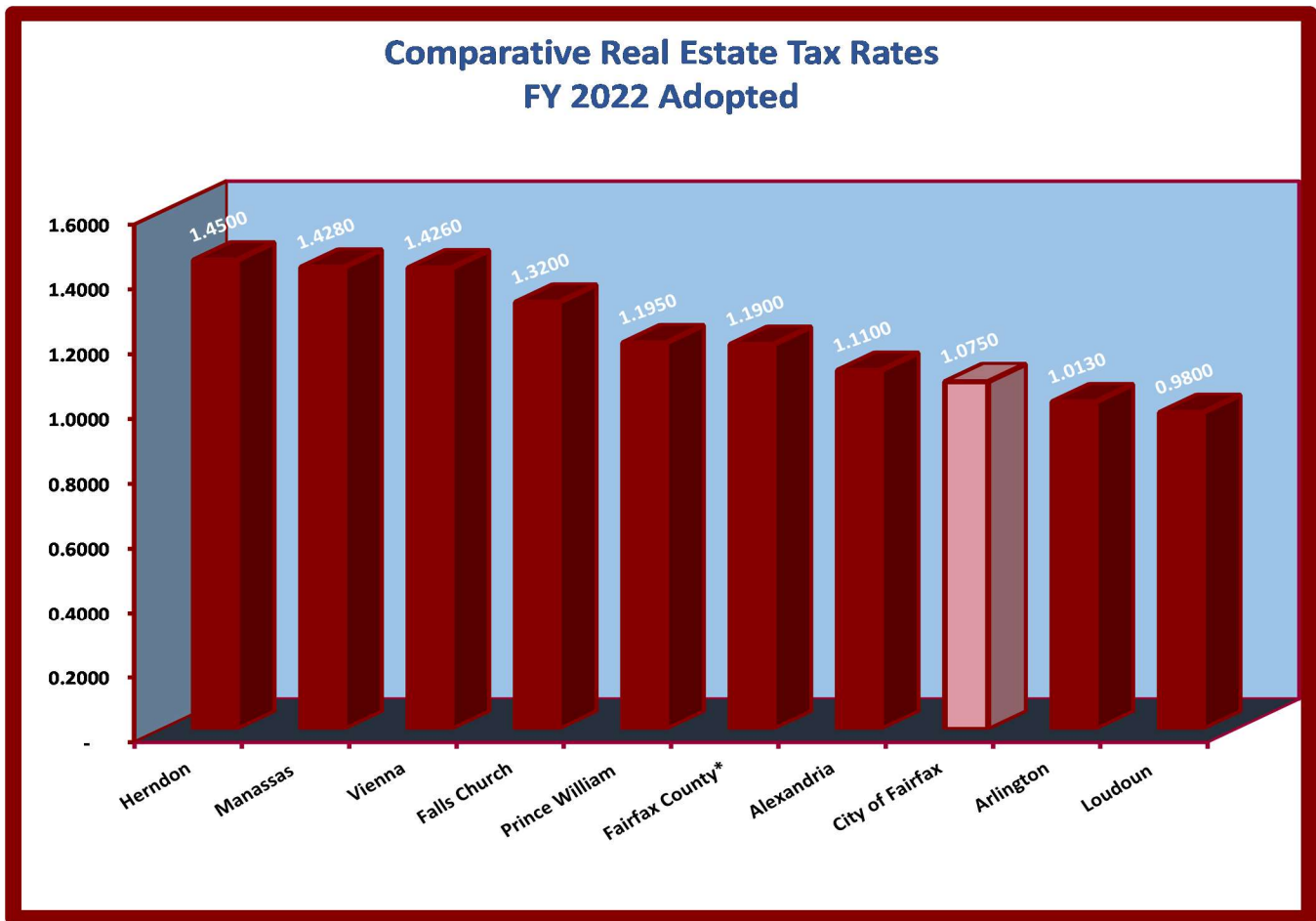
CY 20 Assessment	CY 20 Tax Rate	CY 20 Tax Bill	CY 21 Assessment	CY 21 Tax Rate	CY 21 Tax Bill	Change	
						\$	%
\$ 350,000	\$ 1.075	\$ 3,763	362,942	\$ 1.075	\$3,902	\$ 139	3.70%
\$ 522,243	\$ 1.075	\$ 5,614	541,554	\$ 1.075	\$5,822	\$ 208	3.70%
\$ 850,000	\$ 1.075	\$ 9,138	881,430	\$ 1.075	\$9,475	\$ 338	3.70%

Note: average estimated increase in residential assessment of 3.7 percent (excludes new construction); each property is individually assessed therefore each property assessment may be higher or lower than the average.

## FY 2022 Adopted Budget – City of Fairfax, Virginia

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 \$1.0367 per \$100 of assessed value. This is 3.83¢ less than the Adopted FY 2022 rate of \$1.075. The real estate equalization rate for residential and commercial properties combined is \$1.0701 per \$100 of assessed value, 0.49¢ less than the Adopted FY 2022 rate of \$1.075.

FY 2022 adopted rates for all of the surrounding jurisdictions are shown below for comparison.



\* Fairfax County Rate includes Pest Management and Leaf Collection for most County residents

## **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. The Motor Vehicle License Tax is \$33.00 per annum and is administered directly by the City Treasurer. Vehicle owners must register their vehicles with the Commissioner of the Revenue for personal property tax purposes.

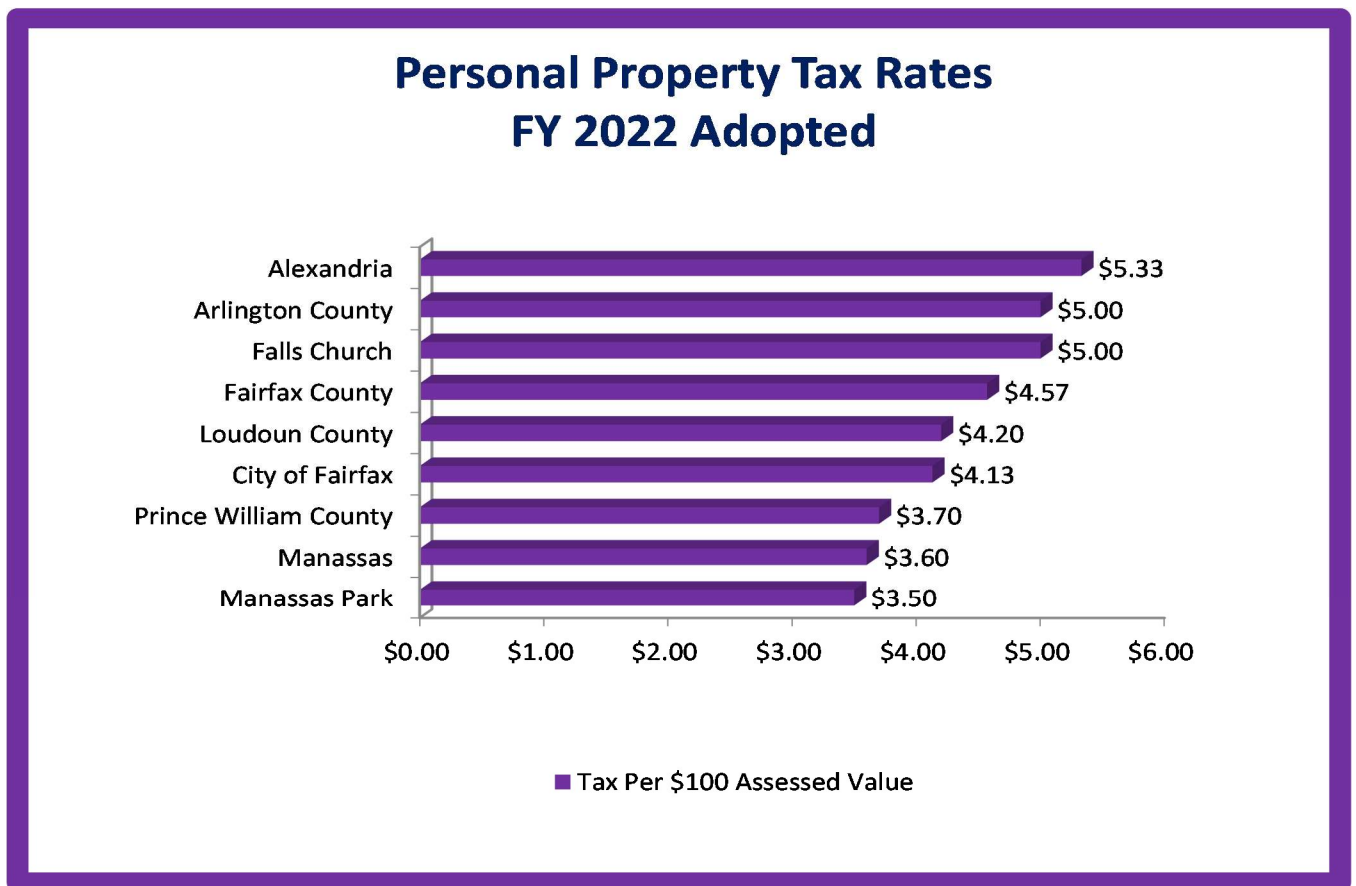
At the current time, taxpayers are "reimbursed" by the state at a rate of approximately 43.5 percent of the tax up to the first \$20,000 of assessed value. This reimbursement is based on a fixed amount, approximately \$3.1 million, the 2004 level of reimbursement. While in most cases a disproportionate 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

	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted
<b>Personal Property Tax Revenue</b>	\$ 12,212,945	\$ 12,695,351	\$ 12,215,351	\$13,020,000
<b>Personal Property Tax Rate</b>	\$4.13	\$4.13	\$4.13	\$4.13

The FY 2022 Adopted budget reflects no change in the Personal Property Tax rate of \$4.13. FY 2022 revenues are projected to increase 2.6% compared with the FY 2021 Adopted budget. The increase is based on current collection experience which is attributable to additional resources made available to the Treasurer’s Department to aid in collections.



**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**

	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted
<b>Local Sales &amp; Use Tax Revenue</b>	\$ 11,790,794	\$ 8,594,283	\$ 12,287,759	\$12,524,180

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 by 45.7% in FY 2022 compared to the FY 2021 Adopted budget.

**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**

	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted
<b>BPOL Tax</b>	\$ 9,249,810	\$ 6,650,000	\$ 7,987,673	\$ 9,344,777

FY 2022 Adopted BPOL tax revenues are projected to increase 40.5 % compared to the FY 2021 Adopted budget.

**Meals Tax**

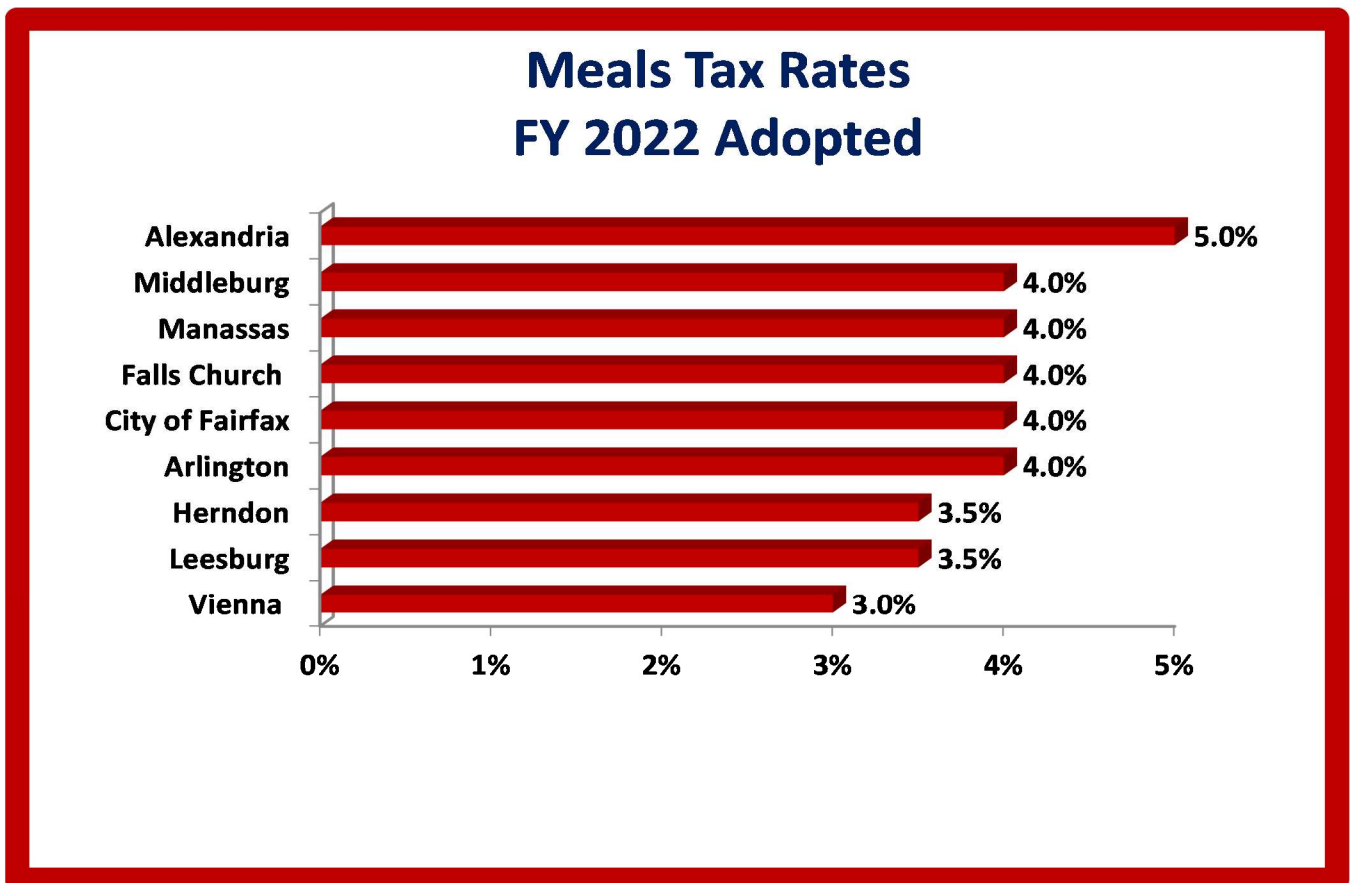
**Background**

The City of Fairfax levies a **4%** tax upon all meals sold in the City by a restaurant or similar establishment.

**Fiscal Impact – Meals Tax**

	<b>FY 2020 Actual</b>	<b>FY 2021 Budget</b>	<b>FY 2021 Estimate</b>	<b>FY 2022 Adopted</b>
<b>Meals Tax Revenue</b>	\$ 5,501,543	\$ 3,250,000	\$ 5,084,006	\$ 5,592,406
<b>Meals Tax Rate</b>	4%	4%	4%	4%

The City’s meals tax has historically been a stable source of revenue for the City. FY 2022 Adopted Meals Tax revenue projects an increase of 72.1% compared to the FY 2021 Adopted budget. As the following chart indicates, several area jurisdictions also impose this tax and in most cases at a rate on par with the City.



**Tobacco Tax**

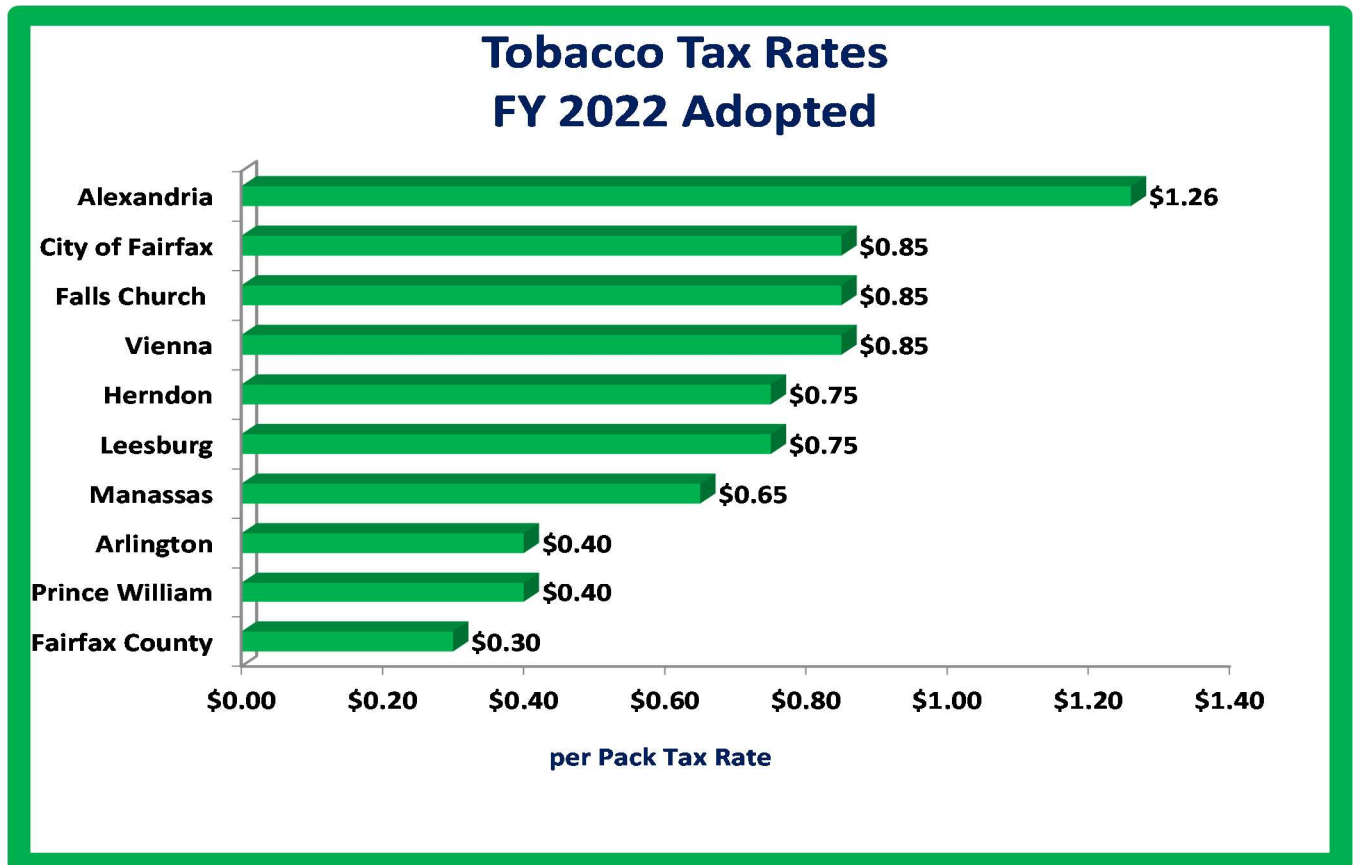
**Background**

The cigarette tax is **85 cents** for each package of 20 cigarettes sold 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**

	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted
<b>Tobacco Tax Revenue</b>	\$ 566,145	\$ 599,830	\$ 501,440	\$ 506,145
<b>Tobacco Tax Rate</b>	\$0.85	\$0.85	\$0.85	\$0.85

Tobacco tax revenues for the FY 2021 estimate are projected at \$501,440, based on receipts for the first nine months of the current fiscal year, a decrease of 11.4% from FY 2020 actual revenues. FY 2022 adopted revenues are projected to decrease from the FY 2021 adopted budget as we continue to see tobacco sales on a downward trend.



**Transient Lodging Tax**

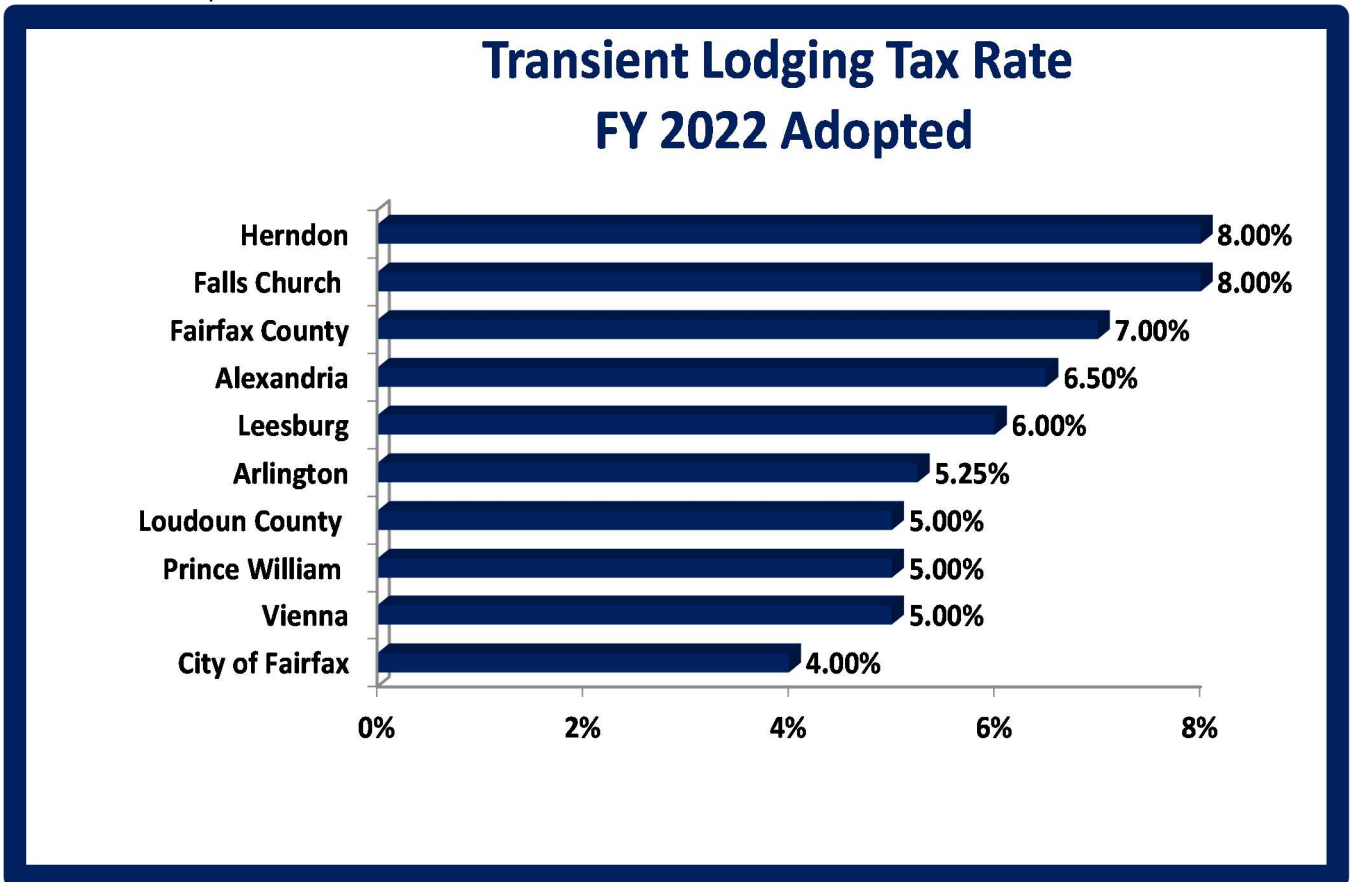
**Background**

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 tax rate needs approval from the General Assembly.

**Fiscal Impact – Transient Lodging Tax**

	<b>FY 2020 Actual</b>	<b>FY 2021 Budget</b>	<b>FY 2021 Estimate</b>	<b>FY 2022 Adopted</b>
<b>Transient Lodging Tax Revenue</b>	\$ 429,193	\$ 250,000	\$ 177,627	\$ 429,193
<b>Transient Lodging Tax Rate</b>	4%	4%	4%	4%

The adopted FY 2022 Transient Lodging Tax revenue is projected to increase 141.6% compared to the FY 2021 estimate, based on our current experience during the first nine months of this fiscal year and the economic effect of the COVID19 pandemic.



**Licenses, Permits, and Fees**

	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted
<b>Licenses, Permits, and Fees</b>	\$ 1,339,208	\$ 1,750,555	\$ 1,697,744	\$ 1,507,432

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 adopted budget for FY 2022 projects an 11.2% decrease from the FY 2021 estimate primarily due to the timing of construction-related permits for several large commercial projects.

**Fines and Forfeitures**

	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted
<b>Fines &amp; Forfeitures</b>	\$ 1,118,390	\$ 933,772	\$ 547,605	\$ 625,432

This category of revenues is projected to increase by 14.2% in the adopted FY 2022 budget from the FY 2021 estimate based on recent trends in collections.

**Use of Money and Property**

	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted
<b>Use of Money and Property</b>	\$ 3,312,576	\$ 2,603,480	\$ 2,343,000	\$ 3,043,000

Overall revenues are projected to increase by 29.9% in the adopted FY 2022 budget from the FY 2021 estimate.

**Charges for Services**

	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted
<b>Charges for Services</b>	\$ 2,546,161	\$ 2,302,384	\$ 2,280,420	\$ 3,420,809

Overall revenues are projected to increase by 50.0% in adopted FY 2022 from the FY 2021 estimate.

**State Aid**

	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted
<b>State Aid</b>	\$ 13,261,041	\$ 11,819,175	\$ 13,657,552	\$13,480,331

Total funding for state aid is projected to decrease by 1.3% in FY 2022 compared to the FY 2021 estimate.

**Federal Aid**

	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted
<b>Federal Aid</b>	\$ 1,018,674	\$ 274,507	\$ 4,551,132	\$ 230,556

Federal Aid is typically dedicated to public safety areas such as Firefighters and Police grants, and FEMA Disaster Reimbursements. These numbers can fluctuate greatly from year to year based on grants awarded.

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