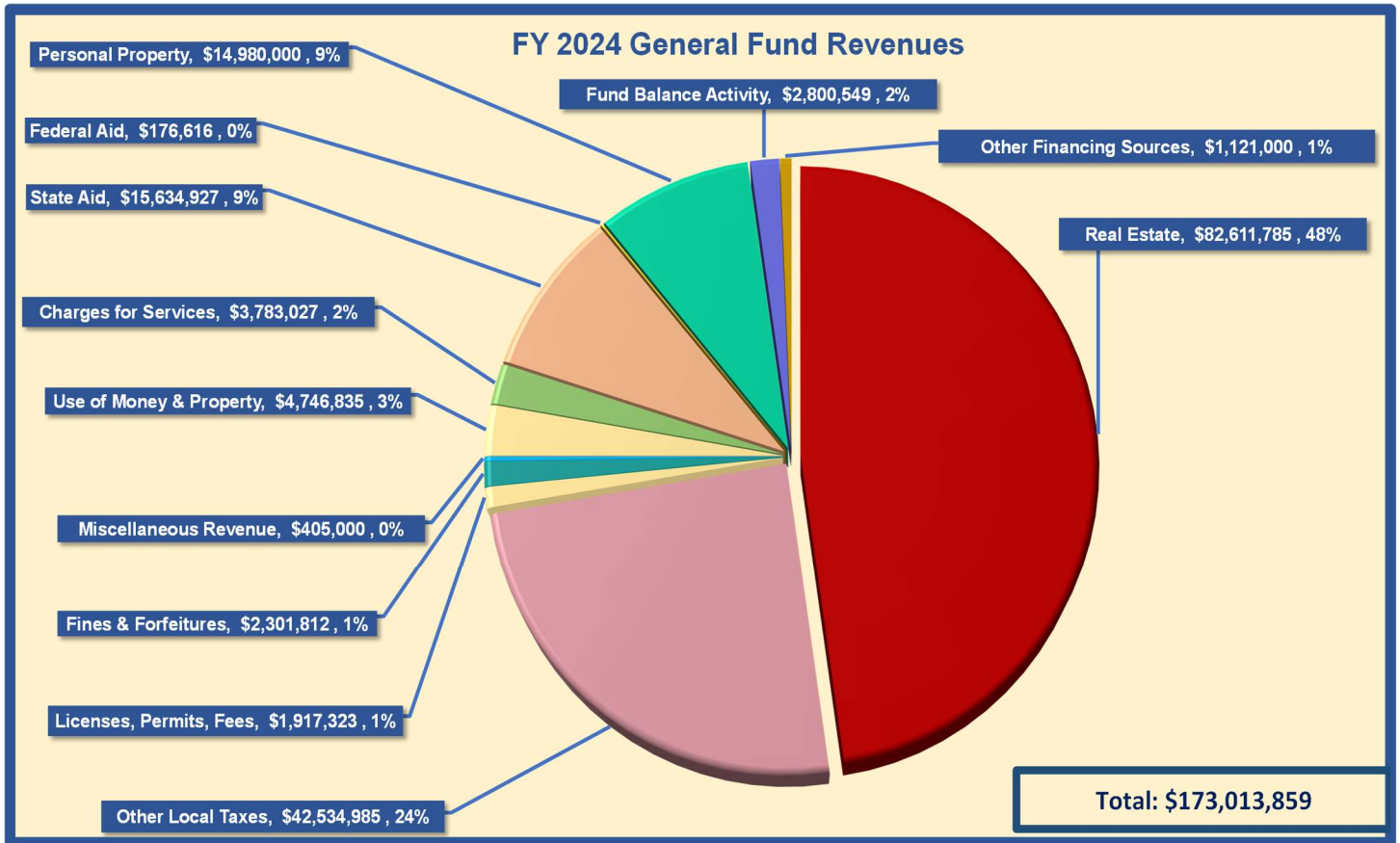


# GENERAL FUND REVENUE OVERVIEW

## FY 2024 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 2024 Adopted Budget.



The Use of Undesignated Fund Balance in the amount of \$2,800,549 is funded by the estimated FY 2023 Unassigned General Fund Balance. The estimated ending FY 2024 Unassigned General Fund Balance is equal to approximately 15.2% (\$25.4M) of adopted General Fund revenues.

## FY 2024 Adopted Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account #	Account Title	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted	Variance to Budget \$	Variance to Budget %
<b>General Property Taxes</b>							
311110	Real Estate Current December	\$ 34,670,070	\$ 36,119,062	\$ 36,214,504	\$ 38,679,067	\$ 2,560,005	7.09%
311111	Real Estate Current June	34,913,972	36,802,330	38,706,915	39,123,255	2,320,925	6.31%
311112	Real Estate Old Town - June	83,590	94,225	92,753	98,593	4,368	4.64%
311113	Delinquent Real Estate	310,119	370,000	370,000	370,000	-	0.00%
311114	Real Estate Old Town - December	4,611	87,123	92,753	98,593	11,470	13.17%
311119	Delinquent R/E Commercial	25,746	20,000	20,000	20,000	-	0.00%
311120	Stormwater Fund Tax	2,064,108	-	-	-	-	0.00%
311121	Comm. Real Estate Tax Rate Trans. - June	1,102,297	1,163,722	1,201,323	1,192,139	28,417	2.44%
311122	Comm. Real Estate Tax Rate Trans. - Dec	1,170,190	1,163,722	1,182,207	1,192,139	28,417	2.44%
311210	Personal Property Current	12,553,103	13,108,696	14,323,696	14,500,000	1,391,304	10.61%
311213	Delinquent Personal Property	215,624	270,000	210,000	200,000	(70,000)	-25.93%
311311	PSC R/E Current	1,268,777	1,280,000	1,280,000	1,300,000	20,000	1.56%
311312	PSC PP Current	270,080	275,000	275,000	280,000	5,000	1.82%
311313	PSC R/E Delinquent	(3,209)	-	-	-	-	0.00%
311410	Penalties on Delinquent Taxes	510,020	390,000	400,000	400,000	10,000	2.56%
311411	Interest on Delinquent Taxes	147,556	138,000	138,000	138,000	-	0.00%
<b>Total General Property Taxes</b>		<b>\$ 89,306,654</b>	<b>\$ 91,281,878</b>	<b>\$ 94,507,150</b>	<b>\$ 97,591,785</b>	<b>\$ 6,309,906</b>	<b>6.91%</b>
<b>Other Local Taxes</b>							
312010	Local Sales & Use Tax	\$ 13,076,127	\$ 14,200,389	\$ 13,450,389	\$ 13,867,401	\$ (332,988)	-2.34%
312011	Consumers Utility Tax	1,570,569	1,900,000	1,600,000	1,648,000	(252,000)	-13.26%
312012	Business & Occupational Licenses	10,365,899	9,500,000	11,000,000	11,315,000	1,815,000	19.11%
312013	Motor Vehicle Licenses	726,946	750,000	650,000	669,500	(80,500)	-10.73%
312014	Recordation Tax	833,165	1,000,000	700,000	721,000	(279,000)	-27.90%
312015	Bank Franchise Tax	3,337,378	3,300,000	3,600,000	3,649,000	349,000	10.58%
312016	Tobacco Tax	490,689	500,000	450,000	450,000	(50,000)	-10.00%
312017	Transient Lodging Tax	466,388	430,000	500,000	442,900	12,900	3.00%
312018	Meals Tax	6,829,649	6,562,256	7,587,256	7,892,124	1,329,868	20.27%
312019	Plastic Bag Tax	-	-	60,000	200,000	200,000	0.00%
312021	Consumption Tax	91,517	102,000	102,000	105,060	3,060	3.00%
312024	Communication Taxes	1,624,183	1,675,000	1,575,000	1,575,000	(100,000)	-5.97%
<b>Total Other Local Taxes</b>		<b>\$ 39,412,509</b>	<b>\$ 39,919,645</b>	<b>\$ 41,274,645</b>	<b>\$ 42,534,985</b>	<b>\$ 2,615,340</b>	<b>6.55%</b>

# FY 2024 Adopted Budget – City of Fairfax, Virginia

## General Fund Revenue Summary

Account #	Account Title	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted	Variance to Budget \$	Variance to Budget %
<b>Licenses, Permits &amp; Fees</b>							
313202	Building Permits	\$ 466,501	\$ 350,000	\$ 350,000	\$ 365,000	\$ 15,000	4.29%
313203	Electrical Permits	163,035	140,000	140,000	145,000	5,000	3.57%
313204	Plumbing Permits	73,415	90,000	90,000	90,000	-	0.00%
313205	Mechanical Permits	141,011	140,000	140,000	140,000	-	0.00%
313206	Elevator Inspection	56,320	70,000	70,000	70,000	-	0.00%
313225	Rental Housing Occupancy	1,425	2,000	2,000	2,000	-	0.00%
313226	Fire Marshal Permit	129,320	115,000	115,000	125,000	10,000	8.70%
313227	Fire Protection System Permit	50,984	55,000	55,000	55,000	-	0.00%
313231	Fire Marshal Development Fees	18,198	15,000	15,000	17,000	2,000	13.33%
313233	Public Safety Fee	48,539	50,000	50,000	50,000	-	0.00%
313234	Reinspection Fees	2,735	2,000	2,000	2,500	500	25.00%
313240	State Levy - Construction Permits	165	-	-	-	-	0.00%
313308	Sign Permits	26,795	19,433	19,433	21,789	2,356	12.12%
313309	Occupancy Permits	25,574	23,081	23,081	23,422	341	1.48%
313310	Soil & Erosion Fees	11,400	13,454	13,454	12,788	(666)	-4.95%
313323	Zoning Fees	37,692	70,253	70,253	60,968	(9,285)	-13.22%
313328	Special Use Permits	41,970	50,638	50,638	52,141	1,503	2.97%
313329	Variances	5,860	2,995	2,995	3,215	220	7.35%
313411	Cemetery Interments	80,586	70,000	70,000	80,000	10,000	14.29%
313420	Street Opening Permits	104,707	80,000	80,000	90,000	10,000	12.50%
313440	Public Right of Way Use	268,624	125,000	125,000	250,000	125,000	100.00%
313442	Mobility Pilot Permit Fee	16,123	22,000	22,000	22,000	-	0.00%
313510	Animal Licenses	6,700	5,000	5,000	5,000	-	0.00%
313512	Peddlers Permits	4,085	5,000	5,000	4,500	(500)	-10.00%
313610	Cable TV	31,146	-	-	-	-	0.00%
313620	Transfer Fees	229,239	200,000	200,000	215,000	15,000	7.50%
313630	Cellular Comm	20,571	13,500	13,500	15,000	1,500	11.11%
<b>Total Licenses, Permits &amp; Fees</b>		<b>\$ 2,062,720</b>	<b>\$ 1,729,354</b>	<b>\$ 1,729,354</b>	<b>\$ 1,917,323</b>	<b>\$ 187,969</b>	<b>10.87%</b>
<b>Fines &amp; Forfeitures</b>							
314001	Court Fines & Forfeitures	\$ 215,898	\$ 200,000	\$ 200,000	\$ 205,000	\$ 5,000	2.50%
314002	Parking Fines	88,800	110,000	110,000	110,000	-	0.00%
314005	Circuit Court Revenue	2,021	20,000	20,000	5,000	(15,000)	-75.00%
314006	Court Facilities Fee	4,421	9,000	9,000	5,000	(4,000)	-44.44%
314010	Zoning Civil Penalties	-	952	952	412	(540)	-56.72%
314011	Photo Red Light	366,586	460,000	550,000	1,000,000	540,000	117.39%
314012	Jail Admin Fee	508	400	400	400	-	0.00%
314013	Courthouse Security	23,354	25,000	25,000	26,000	1,000	4.00%
314014	Speed Camera Enforcement	-	250,000	520,000	950,000	700,000	280.00%
<b>Total Fines &amp; Forfeitures</b>		<b>\$ 701,588</b>	<b>\$ 1,075,352</b>	<b>\$ 1,435,352</b>	<b>\$ 2,301,812</b>	<b>\$ 1,226,460</b>	<b>114.1%</b>

# FY 2024 Adopted Budget – City of Fairfax, Virginia

## General Fund Revenue Summary

Account #	Account Title	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted	Variance to Budget \$	Variance to Budget %
<b>Use of Money &amp; Property</b>							
315101	Interest on Investments	\$ 181,586	\$ 160,000	\$ 888,906	\$ 1,200,000	\$ 1,040,000	650.00%
315102	Interest on Bond Investments	27	-	-	-	-	0.00%
315105	Interest JP Morgan	14,809	-	-	-	-	0.00%
315106	Unrealized Gain/Loss	(792,070)	-	(265,941)	341,311	341,311	0.00%
315202	Rental - Old Town Hall	48,563	170,000	70,000	170,000	-	0.00%
315203	Rental - Green Acres	70,383	130,000	130,000	130,000	-	0.00%
315206	Rental - Schools	2,228,917	2,000,000	2,000,000	2,230,024	230,024	11.50%
315208	Rental - Community Center	418,364	310,000	410,000	310,000	-	0.00%
315209	Rental - Main Street Day Care	46,310	47,000	47,000	47,000	-	0.00%
315211	Rental - Blenheim	68,963	80,000	80,000	80,000	-	0.00%
315213	Rental - Ball Fields	34,457	45,000	45,000	45,000	-	0.00%
315215	Rental - Robert Lewis	38,500	42,000	42,000	38,500	(3,500)	-8.33%
318292	Firing Range Rev - GMU	150,000	150,000	150,000	155,000	5,000	3.33%
<b>Total Use of Money &amp; Property</b>		<b>\$ 2,508,809</b>	<b>\$ 3,134,000</b>	<b>\$ 3,596,965</b>	<b>\$ 4,746,835</b>	<b>\$ 1,612,835</b>	<b>51.46%</b>
<b>Charges for Services</b>							
316110	Court Fees	\$ 2,119	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)	-100.00%
316220	Sale of Record Copies	2,102	2,800	2,800	2,500	(300)	-10.71%
316221	False Alarm Fees	41,425	37,000	37,000	37,000	-	0.00%
316223	Ambulance Fees	843,013	1,000,000	1,000,000	1,000,000	-	0.00%
316224	Emergency Response Billing	25,000	-	25,000	25,000	25,000	0.00%
316225	Fire Recovery Fee - GMU	225,000	225,000	225,000	225,000	-	0.00%
316230	Animal Control Fees	1,208	1,500	1,500	1,500	-	0.00%
316245	FFX Water	61,579	61,580	61,580	61,580	-	0.00%
316347	Sherwood Programming	72,905	200,000	200,000	200,000	-	0.00%
316348	Green Acres Programming	27,653	30,000	30,000	30,000	-	0.00%
316349	Senior Programs	65,985	45,000	45,000	45,000	-	0.00%
316350	Rec Youth Teen Adult Trip	1,383	-	-	45,000	45,000	0.00%
316351	Day Camps	1,084,632	750,000	750,000	1,000,000	250,000	33.33%
316352	Pavilion Rentals	48,497	30,000	30,000	30,000	-	0.00%
316353	Cultural Arts	570	5,000	5,000	5,000	-	0.00%
316354	Special Events	254,120	185,000	285,000	185,000	-	0.00%
316355	Museum Revenue	250	800	800	600	(200)	-25.00%
316356	Museum Gift Shop	11,568	10,000	10,000	12,000	2,000	20.00%
316357	Show Mobile Revenue	6,963	9,000	9,000	9,000	-	0.00%
316460	Sale of Publications	-	45	45	-	(45)	-100.00%
316461	Subdivision Review Fees	11,828	14,074	14,074	14,742	668	4.75%
316462	Site Plan Review Fees	75,308	80,313	80,313	85,366	5,053	6.29%
316463	Architectural Review	2,826	3,629	3,629	3,440	(189)	-5.21%
316464	Tree Removal Permit	3,415	2,489	2,489	2,620	131	5.26%
316466	Surety Review	11,835	12,919	12,919	12,679	(240)	-1.86%
316570	School Age Child Care	312,547	690,000	690,000	690,000	-	0.00%
316580	Returned Check Fees	2,059	1,500	1,500	1,500	-	0.00%
316585	Administrative Fees	870	500	500	500	-	0.00%
316586	Collection Fees	7,685	6,000	8,000	8,000	2,000	33.33%
316811	Inspection Fees After Hours	52,350	50,000	50,000	50,000	-	0.00%
<b>Total Charges for Services</b>		<b>\$ 3,256,696</b>	<b>\$ 3,459,149</b>	<b>\$ 3,586,149</b>	<b>\$ 3,783,027</b>	<b>\$ 323,878</b>	<b>9.36%</b>

# FY 2024 Adopted Budget – City of Fairfax, Virginia

## General Fund Revenue Summary

Account #	Account Title	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted	Variance to Budget \$	Variance to Budget %
<b>Miscellaneous Revenue</b>							
318102	Sale of Surplus Property	\$ 297,409	\$ 150,000	\$ 249,909	\$ 200,000	\$ 50,000	33.33%
318104	Sale of Cemetery Lot	72,074	60,000	60,000	70,000	10,000	16.67%
318105	Perpetual Care - Cemetery	10,540	9,200	9,200	10,000	800	8.70%
318108	Sale of City License Plates	5,175	4,200	4,200	5,000	800	19.05%
318109	All Purpose Recycling	39,407	-	-	-	-	0.00%
318201	Misc. Revenue	221,113	90,000	90,000	120,000	30,000	33.33%
<b>Total Miscellaneous Revenue</b>		<b>\$ 645,719</b>	<b>\$ 313,400</b>	<b>\$ 413,309</b>	<b>\$ 405,000</b>	<b>\$ 91,600</b>	<b>29.23%</b>
<b>State Aid</b>							
321103	Rolling Tax	\$ 814	\$ -	\$ -	\$ -	\$ -	0.00%
321104	State Aid Police	661,921	665,000	665,000	668,000	3,000	0.45%
321106	Vehicle Rental Tax	631,607	475,000	625,000	625,000	150,000	31.58%
321108	Peer to Peer Vehicle Sharing	8,233	-	-	-	-	0.00%
321201	Commissioner of Revenue	167,090	169,320	166,640	170,000	680	0.40%
321202	Treasurer	135,544	135,660	137,358	140,000	4,340	3.20%
321203	Registrar /Electoral	77,647	50,000	75,000	75,000	25,000	50.00%
321204	DMV Reimbursement	91,666	130,000	50,000	50,000	(80,000)	-61.54%
321205	Games of Skill Tax	4,032	-	-	-	-	0.00%
324201	State Sales Tax	4,986,772	4,207,030	5,070,406	4,200,731	(6,299)	-0.15%
324202	Basic School Aid	5,067,063	5,874,556	7,129,278	6,644,296	769,740	13.10%
324302	Four for Life Grants	30,709	30,000	30,000	30,000	-	0.00%
324344	VDFP Aid to Localities	91,332	80,000	80,000	90,000	10,000	12.50%
324403	Street & Highway Maint.	2,904,898	2,904,900	3,354,900	2,904,900	-	0.00%
324405	Solid Waste Grant	7,981	6,000	6,000	7,500	1,500	25.00%
324406	Virginia Climate Center	-	-	25,000	25,000	25,000	0.00%
324614	Arts Grant	7,000	4,500	4,500	4,500	-	0.00%
<b>Total State Aid</b>		<b>\$ 14,874,310</b>	<b>\$ 14,731,966</b>	<b>\$ 17,419,082</b>	<b>\$ 15,634,927</b>	<b>\$ 902,961</b>	<b>6.13%</b>

# FY 2024 Adopted Budget – City of Fairfax, Virginia

## General Fund Revenue Summary

Account #	Account Title	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted	Variance to Budget \$	Variance to Budget %
<b>Federal Aid</b>							
331005	Bulletproof Vest Grant	\$ -	\$ 1,000	\$ 1,000	\$ 3,500	\$ 2,500	250.00%
331009	Alcohol Safety Grant	6,205	5,000	5,000	5,800	800	16.00%
331018	NCR Regional Planner	181,393	156,516	156,516	156,516	-	0.00%
331021	Speed Enforcement Grant	4,298	2,000	2,000	2,300	300	15.00%
331046	LEMPG Grant	7,500	7,500	7,500	7,500	-	0.00%
331048	Volunteer & Citizens Corp	15,838	15,000	15,000	-	(15,000)	-100.00%
331060	FY 2019 SHSP Special Ops Swiftwater/Flood Rescue	1,297	-	-	-	-	0.00%
331061	COVID FEMA FED	56,852	252,164	165,312	-	(252,164)	-100.00%
331065	Bicycle and Pedestrian Grant	-	1,000	1,000	1,000	-	0.00%
331066	Corona Virus Emergency Supplemental Funding (CESF Grant-COVID)	14,360	-	-	-	-	0.00%
331067	NVERS UASI Grant	4,265	-	-	-	-	0.00%
331068	Opioid Settlement	-	35,735	-	-	(35,735)	-100.00%
331069	Old Town Hall Rehabilitation Grant	-	2,100,000	2,100,000	-	(2,100,000)	-100.00%
332068	COVID-19 Municipal Utility Relief Program	19,656	-	-	-	-	0.00%
335010	NPS CLG Grant Historic	1,391	-	-	-	-	0.00%
<b>Total Federal Aid</b>		<b>\$ 313,056</b>	<b>\$ 2,575,915</b>	<b>\$ 2,453,328</b>	<b>\$ 176,616</b>	<b>\$ (2,399,299)</b>	<b>-93.14%</b>
<b>Other Financing Sources</b>							
318288	FPYC Turf Contribution	\$ -	\$ 26,000	\$ 26,000	\$ 26,000	\$ -	0.00%
318289	Schools Turf Contribution	20,000	20,000	20,000	20,000	-	0.00%
319008	City - County Contract	908,556	975,000	1,007,096	1,000,000	25,000	2.56%
342030	Insurance Recoveries	282,208	75,000	161,099	75,000	-	0.00%
345001	Proceeds from Proffer	-	-	700,000	-	-	0.00%
347180	Transfer from ARPA	-	1,055,000	-	-	(1,055,000)	-100.00%
347360	Transfer from OTSD	-	-	-	-	-	0.00%
<b>Total Other Financing Sources</b>		<b>\$1,210,764</b>	<b>\$ 2,151,000</b>	<b>\$ 1,914,195</b>	<b>\$ 1,121,000</b>	<b>\$ (1,030,000)</b>	<b>-47.88%</b>
<b>Total Revenues</b>		<b>\$ 154,292,824</b>	<b>\$ 160,371,659</b>	<b>\$ 168,329,529</b>	<b>\$ 170,213,310</b>	<b>\$ 9,841,651</b>	<b>6.14%</b>
<b>Fund Balance Activity</b>							
Use of Prior Years' Surplus (unassigned)		6,743,849	1,786,086	1,786,086	2,800,549	1,014,463	56.80%
<b>Total Fund Balance Activity</b>		<b>\$ 6,743,849</b>	<b>\$ 1,786,086</b>	<b>\$ 1,786,086</b>	<b>\$ 2,800,549</b>	<b>\$ 1,014,463</b>	<b>56.80%</b>
<b>Total Revenue Available</b>		<b>\$ 161,036,673</b>	<b>\$ 162,157,745</b>	<b>\$ 170,115,615</b>	<b>\$ 173,013,859</b>	<b>\$ 10,856,114</b>	<b>6.69%</b>

**FY 2024 Adopted Budget – City of Fairfax, Virginia**

**History of General Fund Revenues by Category**

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Adopted
<b>Real Estate</b>	\$ 59,505,606	\$ 61,441,513	\$ 66,790,301	\$ 67,892,659	\$ 69,783,177	\$ 71,378,885	\$ 74,617,133	\$ 76,271,056	\$ 79,698,454	\$ 82,611,785
<b>Personal Property</b>	10,243,702	10,171,214	11,447,025	11,511,625	11,524,614	12,200,896	12,199,640	13,035,598	14,808,696	14,980,000
<b>Sales Tax</b>	11,580,673	11,181,816	11,276,435	11,721,703	11,836,812	11,790,794	12,555,783	13,076,127	13,450,389	13,867,401
<b>BPOL</b>	8,709,712	8,740,824	8,698,368	8,745,395	9,344,777	9,249,810	8,575,536	10,365,899	11,000,000	11,315,000
<b>Meals Tax</b>	5,703,399	5,771,329	5,972,064	5,967,535	6,374,777	5,501,543	5,503,374	6,829,649	7,587,256	7,892,124
<b>Other Local Taxes</b>	8,375,385	8,543,760	8,563,296	8,827,582	8,800,615	8,326,016	8,852,444	9,140,835	9,237,000	9,460,460
<b>Licenses, Permits, and Fees</b>	1,434,496	1,300,349	1,427,234	1,678,675	1,368,526	1,339,208	1,960,625	2,062,720	1,729,354	1,917,323
<b>Fines &amp; Forfeitures</b>	1,113,719	1,233,802	1,344,266	1,408,265	1,312,019	1,118,390	663,424	701,588	1,435,352	2,301,812
<b>Use of Money &amp; Property</b>	2,696,575	2,725,994	2,460,115	2,741,250	3,614,465	3,312,576	2,583,215	2,508,809	3,596,965	4,746,835
<b>Charges for Services</b>	3,049,479	3,304,373	3,388,964	3,744,262	3,943,282	2,546,161	2,228,406	3,256,696	3,586,149	3,783,027
<b>Intergovernmental</b>	11,480,641	11,854,303	12,927,118	13,382,207	13,272,473	14,279,715	17,952,880	15,187,365	19,872,410	15,811,543
<b>Other Financing Sources / Misc.</b>	1,043,308	1,460,877	1,222,088	1,449,854	1,595,248	2,360,478	1,724,116	1,856,483	2,327,504	1,526,000
<b>Fund Balance Activity</b>	1,260,278	1,164,306	-	-	-	-	-	6,743,849	1,786,086	2,800,549
<b>Total Revenue</b>	<b>\$ 126,196,973</b>	<b>\$ 128,894,460</b>	<b>\$ 135,517,274</b>	<b>\$ 139,071,012</b>	<b>\$ 142,770,785</b>	<b>\$ 143,404,472</b>	<b>\$ 149,416,576</b>	<b>\$ 161,036,673</b>	<b>\$ 170,115,615</b>	<b>\$ 173,013,859</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, divided by \$100, 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 2023 Budget	FY 2024 Adopted	Variance	
			\$	%
Real Estate Tax Revenue	\$ 75,280,738	\$ 80,207,507	\$ 4,926,769	6.5%
Base Real Estate Tax Rate	1.0100	1.0250	\$ 0.0150	1.5%
Stormwater Tax Rate	-	-	\$ -	0.0%
<b>Total Real Estate Tax Rate</b>	<b>1.0100</b>	<b>1.0250</b>	<b>\$ 0.0150</b>	<b>1.5%</b>

Category	FY 2023 Budget	FY 2024 Adopted	Variance	
			\$	%
Old Town Service District Revenue	\$ 181,347	\$ 197,186	\$ 15,839	8.7%
Old Town Service District Tax Rate	4.0¢	4.0¢	-	0.0%

Category	FY 2023 Budget	FY 2024 Adopted	Variance	
			\$	%
Commercial & Industrial Revenue	\$ 2,347,444	\$ 2,404,278	\$ 56,834	2.4%
Commercial & Industrial Tax Rate	12.5¢	12.5¢	-	0.0%

Real property tax revenues account for the largest category of revenue for the General Fund, representing 47.7 percent of total General Fund revenues. For FY 2024, the adopted tax rate is \$1.025 per \$100 of assessed value.

**FY 2024 Adopted Budget – City of Fairfax, Virginia**

Total real estate assessments are up 5.2 percent, which includes \$228,411,200 of new construction, compared to an overall increase of 7.7 percent from the previous calendar year.

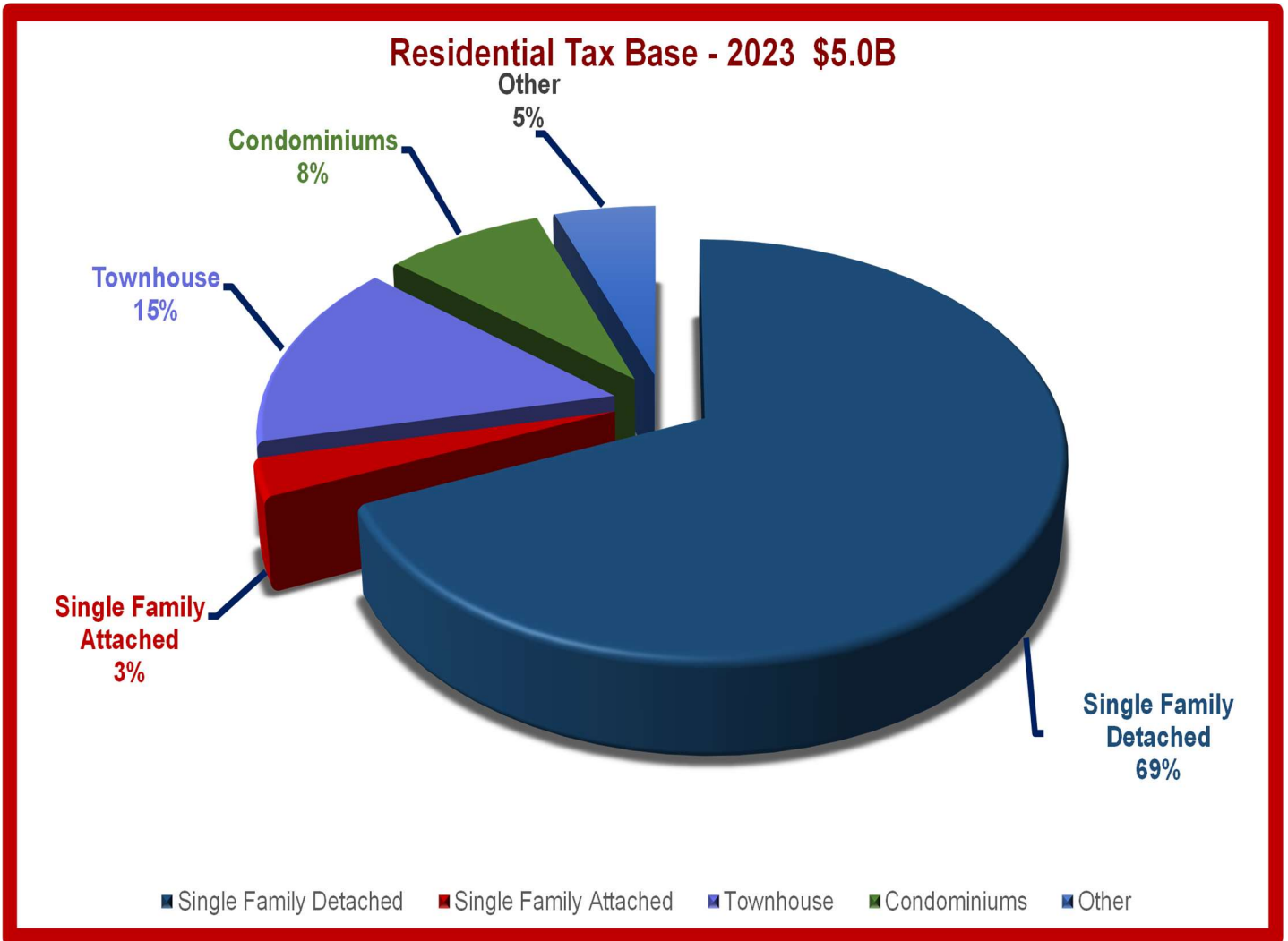
Assessments	CY 2022	CY 2023	Variance	
			\$	%
Residential	\$ 4,772,528,300	\$ 4,999,570,500	\$ 227,042,200	4.8%
Commercial	\$ 2,438,116,700	\$ 2,589,402,100	\$ 151,285,400	6.2%
<b>Total</b>	<b>\$ 7,210,645,000</b>	<b>\$ 7,588,972,600</b>	<b>\$ 378,327,600</b>	<b>5.2%</b>



For calendar year 2023 total taxable value of City residential and commercial properties before appeals is \$7,588,972,600, an increase from last year's total assessed value, \$7,210,645,000 (5.2%).

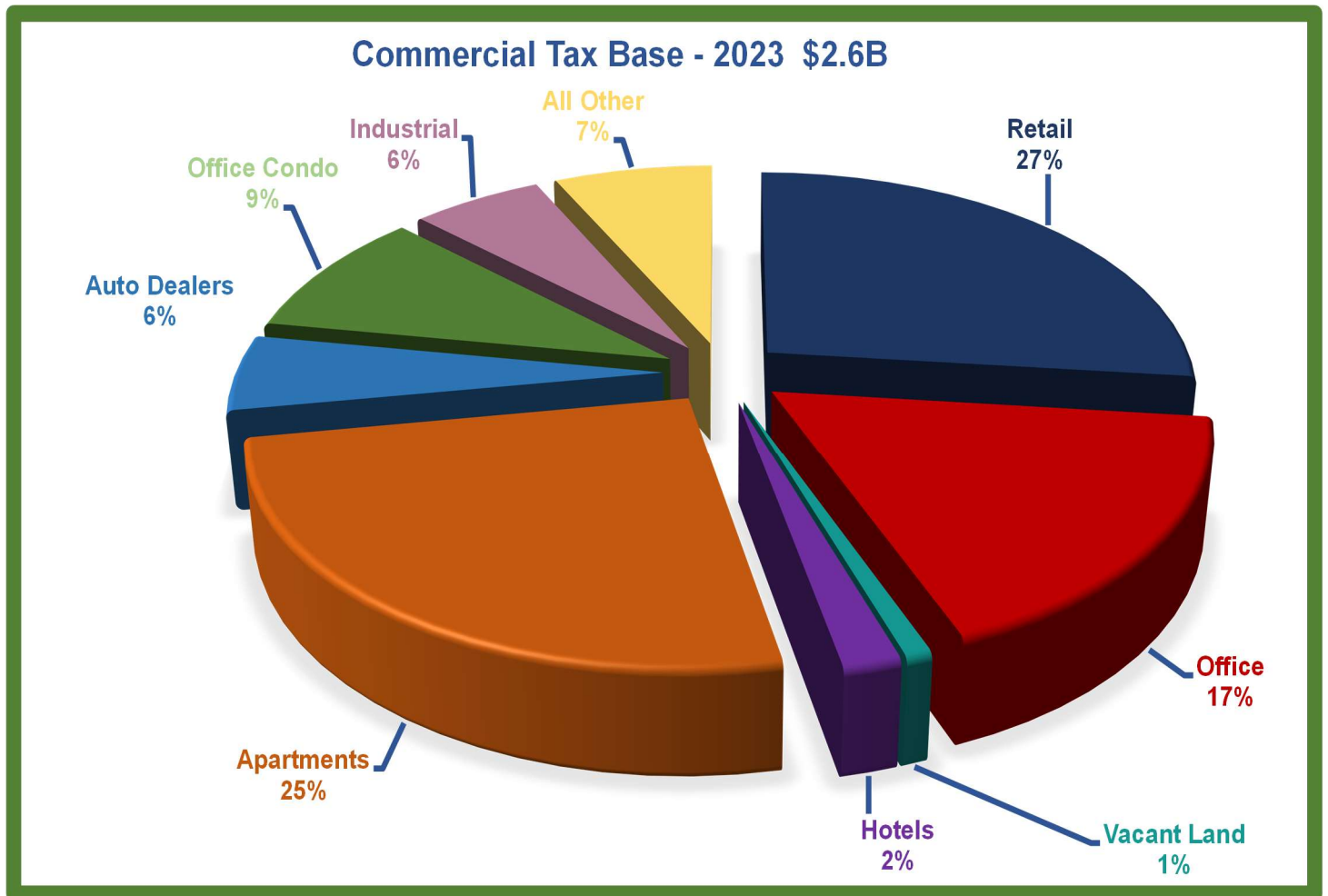
**FY 2024 Adopted Budget – City of Fairfax, Virginia**

The overall residential assessment total, including \$118,370,000 new construction, increased from CY 2022 by 4.8 percent. The following illustrates the breakdown by category for the residential tax base.



## FY 2024 Adopted Budget – City of Fairfax, Virginia

Commercial assessments increased 6.2 percent overall, which includes \$110,041,200 new construction. The following represents the breakdown by category for the commercial tax base.



For FY 2022, 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 2023, the adopted rate was 4.0 cents per \$100 assessed value. For FY 2024, the adopted rate is 4.0 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 2024, 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 19.50 and 26.50 cents per \$100 of assessed value (adopted fiscal year 2024 rates) on top of Fairfax County rate, respectively.

The City’s adopted real estate tax rate for FY 2024 is \$1.025. The average residential tax bill is expected to increase by 3.79 percent. The following chart provides an example of three residential assessed values:

**Impact of FY 2024 Real Estate Tax Rate  
On Residential Property Owner’s Tax Bill at Various Values**

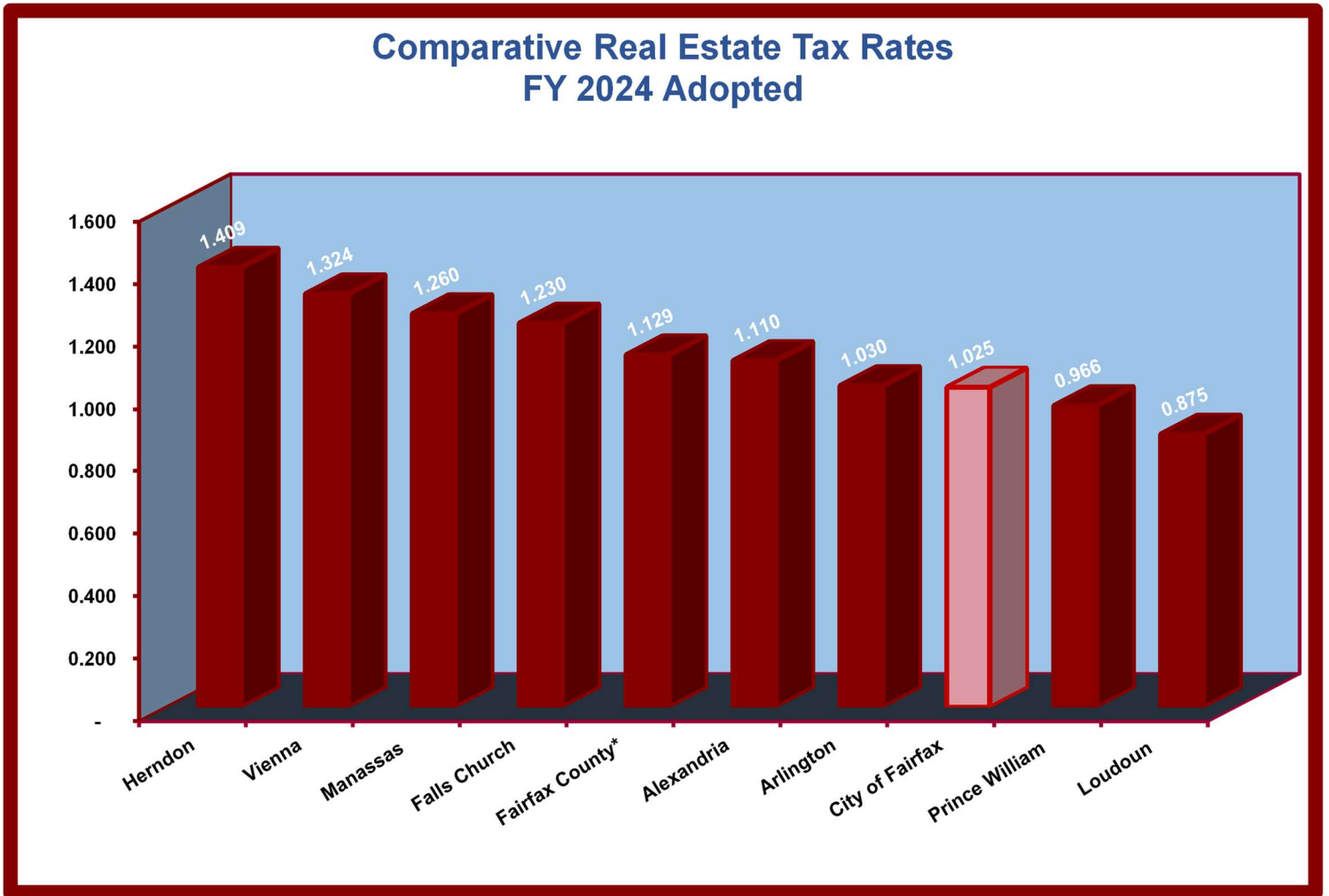
CY 22 Assessment	CY 22 Tax Rate	CY 22 Tax Bill	CY 23 Assessment	CY 23 Tax Rate	CY 23 Tax Bill	Change	
						\$	%
\$ 350,000	\$ 1.010	\$ 3,535	\$ 357,970	\$ 1.0250	\$ 3,669	\$ 134	3.79%
\$ 588,964	\$ 1.010	\$ 5,949	\$ 602,375	\$ 1.0250	\$ 6,174	\$ 226	3.79%
\$ 850,000	\$ 1.010	\$ 8,585	\$ 869,355	\$ 1.0250	\$ 8,911	\$ 326	3.79%

Note: average estimated increase in residential taxes of 3.79 percent (excludes new construction); each property is individually assessed therefore each property assessment may be higher or lower than the average.

## FY 2024 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 \$0.9875 per \$100 of assessed value. This rate is 3.75¢ less than the adopted FY 2024 rate of \$1.025. The real estate equalization rate for residential and commercial properties combined is \$0.9894 per \$100 of assessed value, 3.56¢ less than the adopted FY 2024 rate of \$1.025.

FY 2024 adopted rates for the surrounding jurisdictions are shown below for comparison.



\* Fairfax County Rate includes county-wide Stormwater and infestation prevention.

## **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 local Vehicle Registration Fee for each vehicle.

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 Vehicle Registration Fee 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.

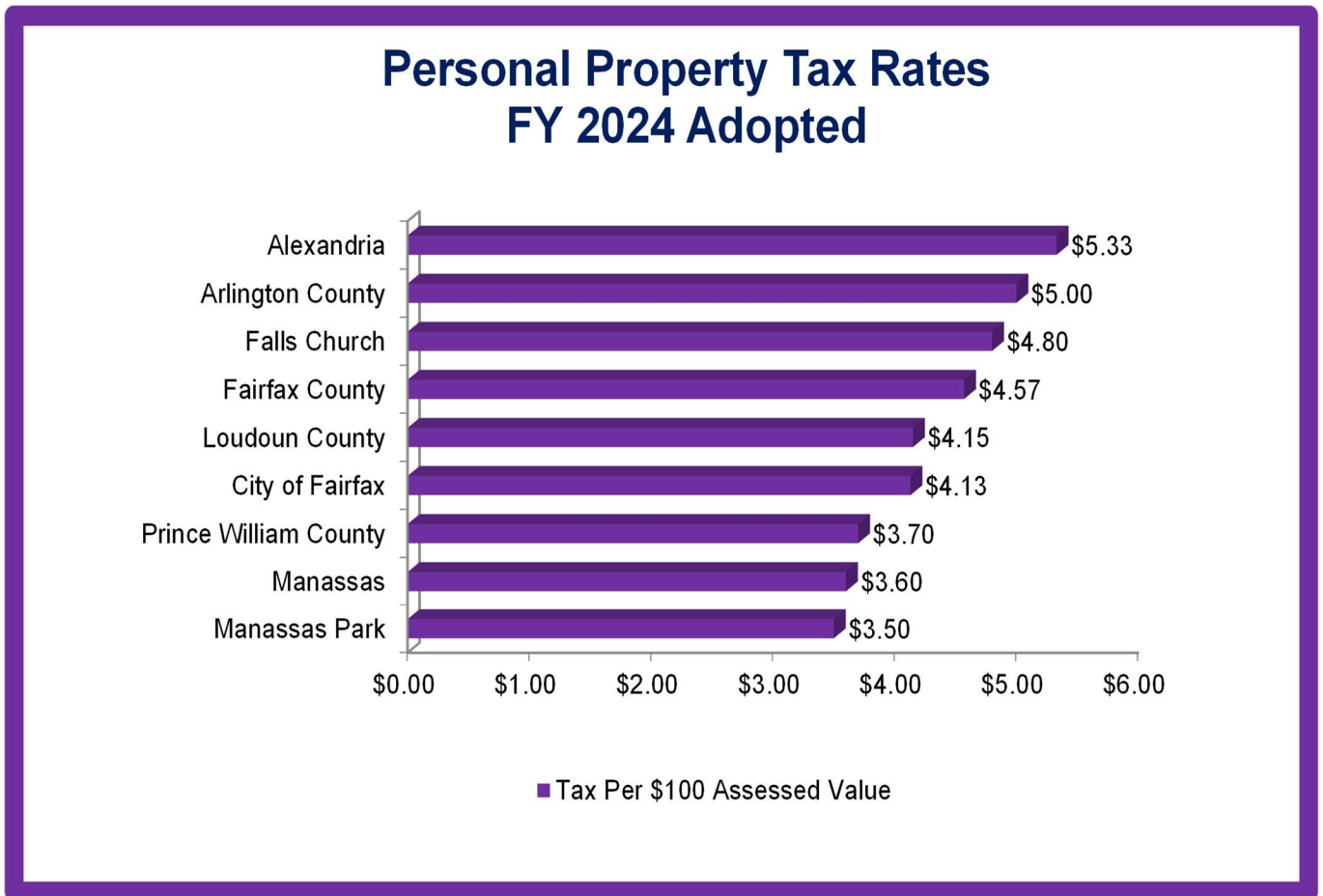
At the current time, taxpayers are "reimbursed" by the state at a rate of approximately 31.50 percent of the tax up to the first \$20,000 of assessed value. This reimbursement is based on a fixed amount, approximately \$3.1 million, the 2004 level of reimbursement. While in most cases a disproportionate 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 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted
<b>Personal Property Tax Revenue</b>	\$ 13,038,807	\$ 13,653,696	\$ 14,808,696	\$ 14,980,000
<b>Personal Property Tax Rate</b>	\$4.13	\$4.13	\$4.13	\$4.13

The FY 2024 adopted budget reflects no change in the Personal Property Tax rate of \$4.13. However, the City of Fairfax City Council adopted a Personal Property Assessment Ratio for vehicles of 86.0% for fiscal year 2022. Due to an approximate 15% decline in personal property NADA values, the proposed budget will return the assessment level to 100%. FY 2024 revenues are projected to increase 9.71 compared with the FY 2023 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 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted
<b>Local Sales &amp; Use Tax Revenue</b>	\$ 13,076,127	\$ 14,200,389	\$ 13,450,389	\$ 13,867,401

The local sales and use tax is one of the most important economic indicators and amongst the highest revenue generators for the City. These revenues are projected to decrease by 2.3% in FY 2024 compared to the FY 2023 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 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted
<b>BPOL Tax</b>	\$ 10,365,899	\$ 9,500,000	\$ 11,000,000	\$ 11,315,000

FY 2024 BPOL tax revenues are projected to increase 19.1% compared to the FY 2023 adopted budget.

**Meals Tax**

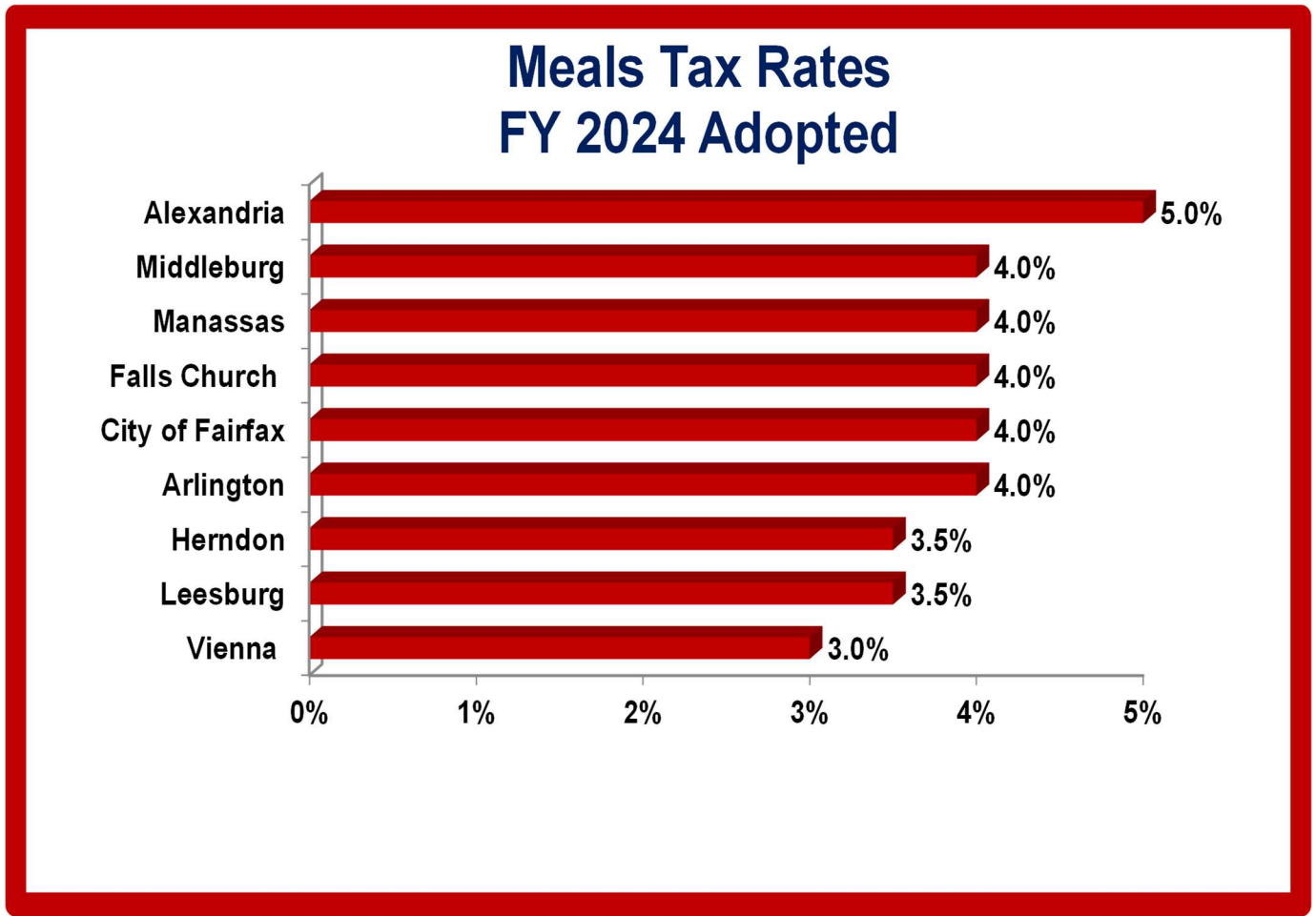
**Background**

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**

	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted
<b>Meals Tax Revenue</b>	\$ 6,829,649	\$ 6,562,256	\$ 7,587,256	\$ 7,892,124
<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 2024 Meals Tax revenue is projected to increase 20.3% compared to the FY 2023 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**

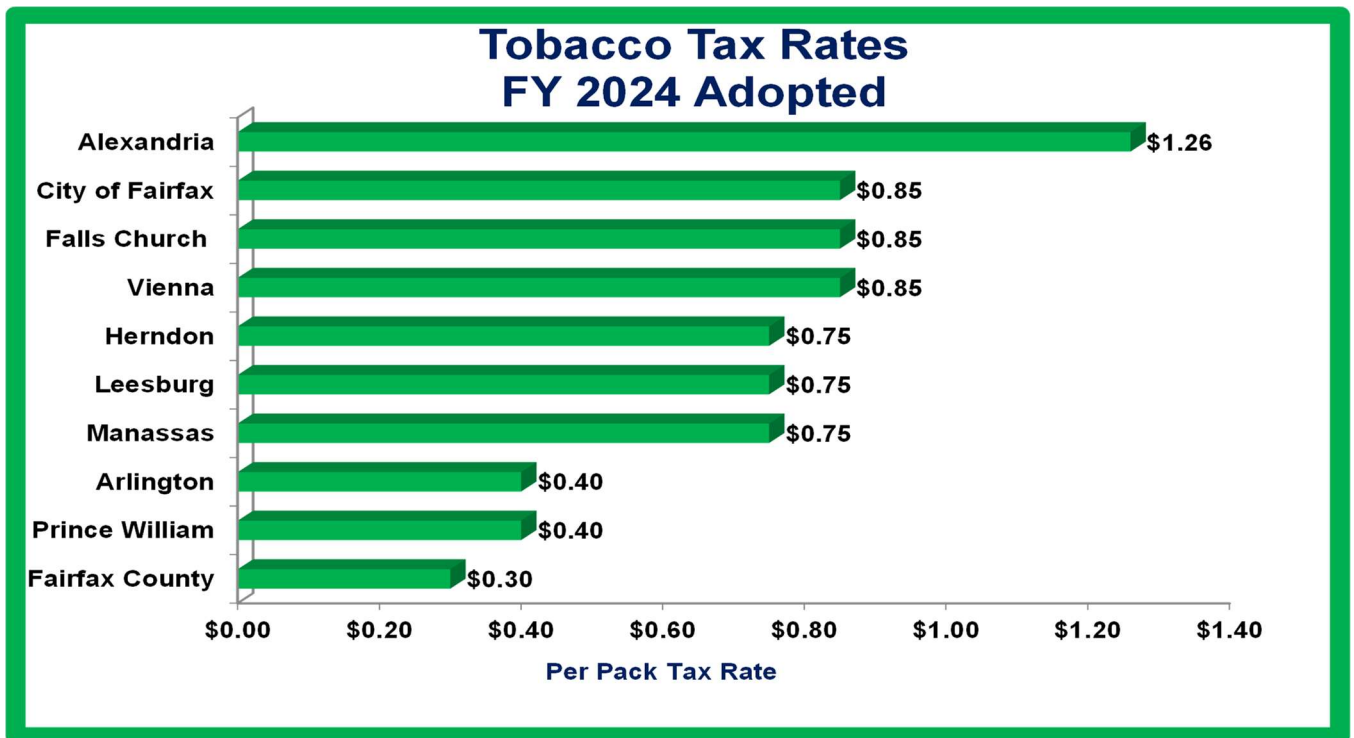
**Background**

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 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted
<b>Tobacco Tax Revenue</b>	\$ 490,689	\$ 500,000	\$ 450,000	\$ 450,000
<b>Tobacco Tax Rate</b>	\$0.85	\$0.85	\$0.85	\$0.85

Tobacco tax revenues for the FY 2024 estimate are projected at \$450,000, based on receipts for the first ten months of the current fiscal year, a decrease of 8.3% from FY 2022 actual revenues. FY 2024 revenues are projected to decrease from the FY 2023 adopted budget as we continue to see tobacco sales on a downward trend.



### Transient Lodging Tax

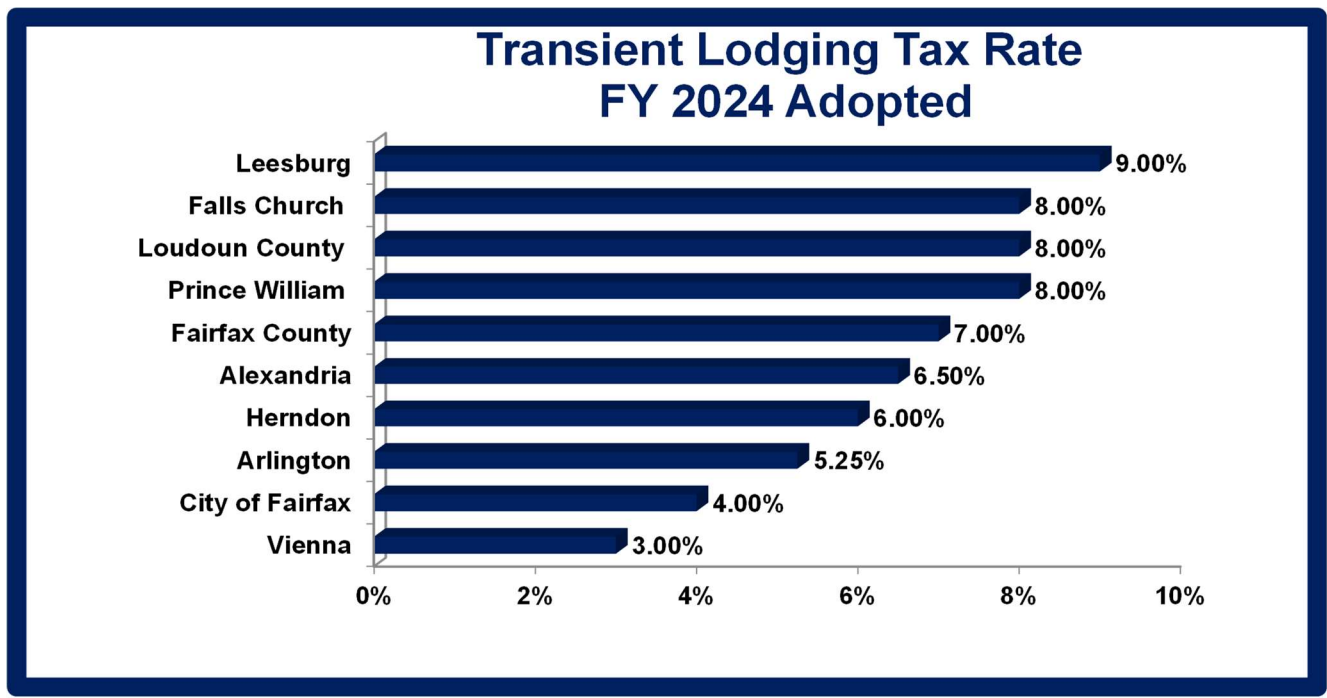
**Background**

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 requires approval from the General Assembly.

**Fiscal Impact – Transient Lodging Tax**

	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted
<b>Transient Lodging Tax Revenue</b>	\$ 466,388	\$ 430,000	\$ 500,000	\$ 442,900
<b>Transient Lodging Tax Rate</b>	4%	4%	4%	4%

The FY 2024 Transient Lodging Tax revenue is projected to increase 1.0% compared to the FY 2023 adopted budget, based on our current trends.



**Licenses, Permits, and Fees**

	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted
Licenses, Permits, and Fees	\$ 2,062,720	\$ 1,729,354	\$ 1,729,354	\$ 1,917,323

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 2024 projects a 10.9% increase from the FY 2023 estimate.

**Fines and Forfeitures**

	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted
Fines & Forfeitures	\$ 701,588	\$ 1,075,352	\$ 1,435,352	\$ 2,301,812

This category of revenues is projected to increase by 60.4% in the 2024 budget from the FY 2023 estimate based on enhanced traffic and pedestrian safety measures and recent trends in collections.

**Use of Money and Property**

	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted
Use of Money and Property	\$ 2,508,809	\$ 3,134,000	\$ 3,596,965	\$ 4,746,835

Overall revenues are projected to increase by 32.0% in the FY 2024 budget from the FY 2023 estimate based on increased return on investments.

**Charges for Services**

	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted
<b>Charges for Services</b>	\$ 3,256,696	\$ 3,459,149	\$ 3,586,149	\$ 3,783,027

Overall revenues are projected to increase by 5.5% in the FY 2024 budget from the FY 2023 estimate.

**State Aid**

	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted
<b>State Aid</b>	\$ 14,874,310	\$ 14,731,966	\$ 17,419,082	\$ 15,634,927

Total funding for state aid is projected to decrease by 10.2% in FY 2024 compared to the FY 2023 estimate based on State estimates for the City’s allocation of State Sales Tax and Basic School Aid.

**Federal Aid**

	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Adopted
<b>Federal Aid</b>	\$ 313,056	\$ 2,575,915	\$ 2,453,328	\$ 176,616

Federal Aid is typically dedicated to public safety areas such as Firefighters and Police grants, and FEMA Disaster Reimbursements. The FY 2024 decrease is due to removal of previously awarded grants. These numbers can fluctuate greatly from year to year based on grants awarded.

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