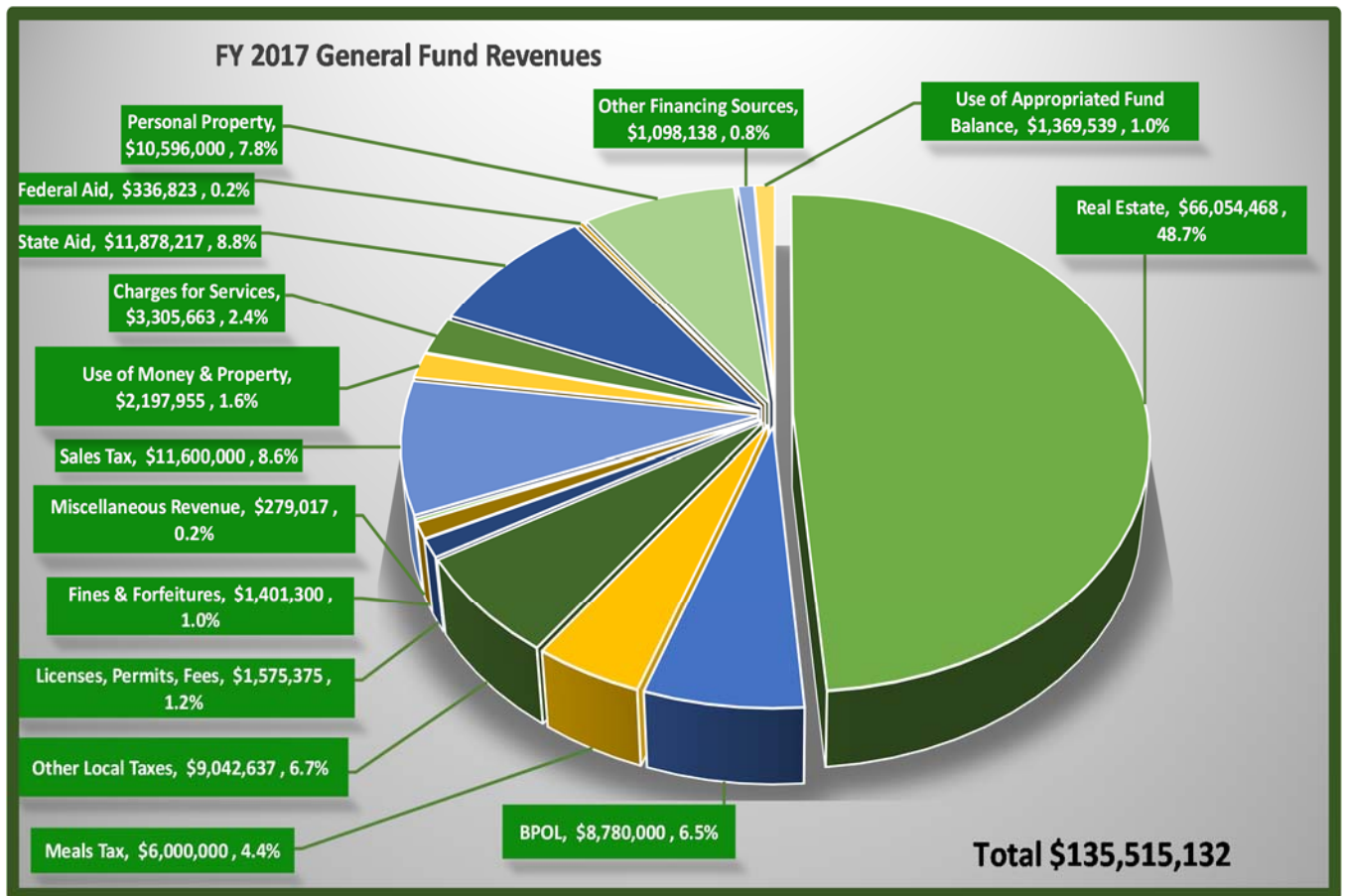


# **GENERAL FUND REVENUE OVERVIEW**

**FY 2017 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 2017 Adopted Budget.



The Use of Undesignated Fund Balance in the amount of **\$1,369,539** is funded by the estimated FY 2016 Unassigned General Fund Balance. The ending Unassigned General Fund Balance is equal to approximately **10.0 percent (\$13.6m)** of adopted General Fund expenditures.

**FY 2017 Adopted Budget – City of Fairfax, Virginia**

**General Fund Revenue Summary**

Account #	Account Title	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted	Variance to Budget \$	Variance to Budget %
<b>General Property Taxes</b>							
311110	Real Estate Current December	\$ 28,116,923	\$ 28,523,826	28,746,927	\$ 29,589,976	\$ 1,066,150	3.74%
311111	Real Estate Current June	28,474,522	28,823,999	29,712,858	30,567,694	1,743,695	6.05%
311112	Real Estate Old Town - June	91,553	91,500	92,877	92,877	1,377	1.50%
311113	Delinquent Real Estate	778,143	840,000	840,000	876,692	36,692	4.37%
311114	Real Estate Old Town - December	92,702	91,500	92,877	92,877	1,377	1.50%
311116	Delinquent R/E Old Town District	5,961	4,931	4,931	4,898	(33)	-0.67%
311119	Delinquent R/E Commercial	26,496	39,599	39,599	52,375	12,776	32.26%
311120	Stormwater Fund Tax	1,103,202	1,128,033	1,215,396	1,321,090	193,057	17.11%
311121	Comm. Real Estate Tax Rate Trans. - June	603,641	675,287	846,901	879,391	204,104	30.22%
311122	Comm. Real Estate Tax Rate Trans. - Dec	522,616	675,102	658,844	843,599	168,497	24.96%
311210	Personal Property Current	9,800,594	10,300,000	9,900,000	10,100,000	(200,000)	-1.94%
311213	Delinquent Personal Property	371,069	295,000	426,457	496,000	201,000	68.14%
311311	PSC R/E Current	939,867	965,608	1,040,608	1,050,000	84,392	8.74%
311312	PSC PP Current	286,999	280,000	270,000	270,000	(10,000)	-3.57%
311313	PSC R/E Delinquent	(449)	-	-	-	-	0.00%
311410	Penalties on Delinquent Taxes	280,199	250,000	296,249	300,000	50,000	20.00%
311411	Interest on Delinquent Taxes	118,689	100,000	97,352	113,000	13,000	13.00%
<b>Total General Property Taxes</b>		<b>\$ 71,612,727</b>	<b>\$ 73,084,385</b>	<b>\$ 74,281,875</b>	<b>\$ 76,650,468</b>	<b>\$ 3,566,084</b>	<b>4.88%</b>
<b>Other Local Taxes</b>							
312010	Local Sales & Use Tax	\$ 11,181,816	\$ 11,424,000	\$ 11,424,000	\$ 11,600,000	\$ 176,000	1.54%
312011	Consumers Utility Tax	1,710,251	1,683,000	1,683,000	1,700,000	17,000	1.01%
312012	Business & Occupational Licenses	8,740,824	9,050,000	8,800,000	8,780,000	(270,000)	-2.98%
312013	Motor Vehicle Licenses	611,266	630,000	612,000	613,000	(17,000)	-2.70%
312014	Recordation Tax	440,113	450,000	450,000	450,000	-	0.00%
312015	Bank Stock Tax	1,657,236	1,750,000	1,850,000	1,850,000	100,000	5.71%
312016	Tobacco Tax	862,776	900,000	850,000	819,637	(80,363)	-8.93%
312017	Transient Lodging Tax	893,820	850,000	1,000,000	1,100,000	250,000	29.41%
312018	Meals Tax	5,771,329	6,000,000	5,900,000	6,000,000	-	0.00%
312021	Consumption Tax	101,940	125,000	110,000	110,000	(15,000)	-12.00%
312024	Communication Taxes	2,266,358	2,400,000	2,330,100	2,400,000	-	0.00%
<b>Total Other Local Taxes</b>		<b>\$ 34,237,729</b>	<b>\$ 35,262,000</b>	<b>\$ 35,009,100</b>	<b>\$ 35,422,637</b>	<b>\$ 160,637</b>	<b>0.46%</b>

## FY 2017 Adopted Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account #	Account Title	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted	Variance to Budget \$	Variance to Budget %
<b>Licenses, Permits &amp; Fees</b>							
313202	Building Permits	\$ 160,830	\$ 210,000	\$ 245,000	\$ 285,000	\$ 75,000	35.71%
313203	Electrical Permits	96,383	100,000	112,000	118,000	18,000	18.00%
313204	Plumbing Permits	50,027	70,000	72,000	83,000	13,000	18.57%
313205	Mechanical Permits	105,845	110,000	112,000	123,000	13,000	11.82%
313206	Elevator Inspection	54,800	55,000	55,000	55,000	-	0.00%
313225	Rental Housing Occupancy	6,300	1,000	3,000	2,000	1,000	100.00%
313226	Fire Marshal Permit	86,870	80,000	80,000	85,000	5,000	6.25%
313227	Fire Protection System Permit	15,305	30,000	42,000	43,000	13,000	43.33%
313231	Fire Marshal Development Fees	12,572	10,000	10,000	12,000	2,000	20.00%
313233	Public Safety Fee	38,624	49,000	44,000	45,000	(4,000)	-8.16%
313234	Reinspection Fees	-	1,000	1,000	1,500	500	50.00%
313308	Sign Permits	21,283	16,500	16,500	18,375	1,875	11.36%
313309	Occupancy Permits	30,535	32,000	32,000	33,600	1,600	5.00%
313310	Soil & Erosion Fees	9,188	10,600	10,600	11,550	950	8.96%
313323	Zoning Fees	13,800	45,000	45,000	63,000	18,000	40.00%
313328	Special Use Permits	107,300	120,000	85,000	89,250	(30,750)	-25.63%
313329	Variances	26,325	30,500	15,500	12,600	(17,900)	-58.69%
313330	Partial R/E Tax Exemption	300	-	-	-	-	0.00%
313411	Cemetery Interments	81,996	60,000	70,000	70,000	10,000	16.67%
313420	Street Opening Permits	52,827	40,000	50,000	50,000	10,000	25.00%
313440	Public Right of Way Use	183,013	225,000	225,000	225,000	-	0.00%
313510	Animal Licenses	10,570	11,000	13,609	11,000	-	0.00%
313512	Peddlers Permits	14,010	10,000	10,000	10,000	-	0.00%
313620	Transfer Fees	96,646	120,000	120,000	115,000	(5,000)	-4.17%
313630	Cellular Comm	25,000	-	11,250	13,500	13,500	0.00%
<b>Total Licenses, Permits &amp; Fees</b>		<b>\$ 1,300,349</b>	<b>\$ 1,436,600</b>	<b>\$ 1,480,459</b>	<b>\$ 1,575,375</b>	<b>\$ 138,775</b>	<b>9.66%</b>
<b>Fines &amp; Forfeitures</b>							
314001	Court Fines & Forfeitures	\$ 654,783	\$ 725,504	\$ 572,700	\$ 590,000	\$ (135,504)	-18.68%
314002	Parking Fines	58,563	107,000	74,350	107,000	-	0.00%
314003	Juvenile Court	-	4,500	4,500	4,500	-	0.00%
314005	Circuit Court Revenue	27,964	10,000	10,000	10,000	-	0.00%
314006	Court Facilities Fee	16,413	20,000	20,000	20,000	-	0.00%
314010	Zoning Civil Penalties	4,100	10,000	10,000	10,500	500	5.00%
314011	Photo Red Light	389,936	360,000	587,807	577,600	217,600	60.44%
314012	Jail Admin Fee	1,714	1,700	1,700	1,700	-	0.00%
314013	Courthouse Security	80,329	97,000	80,000	80,000	(17,000)	-17.53%
<b>Total Fines &amp; Forfeitures</b>		<b>\$ 1,233,802</b>	<b>\$ 1,335,704</b>	<b>\$ 1,361,057</b>	<b>\$ 1,401,300</b>	<b>\$ 65,596</b>	<b>4.9%</b>

## FY 2017 Adopted Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account #	Account Title	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted	Variance to Budget \$	Variance to Budget %
<b>Use of Money &amp; Property</b>							
315101	Interest on Investments	\$ 236,218	\$ 20,000	\$ 63,275	\$ 60,000	\$ 40,000	200.00%
315202	Rental - Old Town Hall	191,164	182,281	180,000	180,000	(2,281)	-1.25%
315203	Rental - Green Acres	48,132	32,835	50,835	50,000	17,165	52.28%
315206	Rental - Schools	1,839,392	1,500,000	1,500,000	1,500,000	-	0.00%
315208	Rental - Community Center	265,788	257,900	257,900	260,000	2,100	0.81%
315209	Rental - Main Street Day Care	29,415	28,000	28,000	28,000	-	0.00%
315211	Rental - Blenheim	59,725	41,886	60,000	60,000	18,114	43.25%
315213	Rental - Ball Fields	56,160	59,870	59,870	59,955	85	0.14%
<b>Total Use of Money &amp; Property</b>		<b>\$ 2,725,994</b>	<b>\$ 2,122,772</b>	<b>\$ 2,199,880</b>	<b>\$ 2,197,955</b>	<b>\$ 75,183</b>	<b>3.54%</b>
<b>Charges for Services</b>							
316110	Court Fees	\$ 5,491	\$ 6,600	\$ 6,600	\$ 6,600	-	0.00%
316220	Sale of Record Copies	4,135	4,000	4,000	4,000	-	0.00%
316221	False Alarm Fees	32,425	37,000	38,233	37,000	-	0.00%
316223	Ambulance Fees	1,116,852	1,134,665	968,197	1,000,000	(134,665)	-11.87%
316225	Fire Recovery Fee - GMU	200,000	200,000	200,000	225,000	25,000	12.50%
316230	Animal Control Fees	2,975	3,500	3,000	3,500	-	0.00%
316245	FFX Water	56,434	-	61,580	61,580	61,580	0.00%
316346	Community Programming	60,653	58,114	40,114	52,213	(5,901)	-10.15%
316347	Sherwood Programming	136,622	120,000	150,000	178,040	58,040	48.37%
316348	Green Acres Programming	54,271	77,200	77,200	77,142	(58)	-0.08%
316349	Senior Programs	75,457	75,000	75,000	75,000	-	0.00%
316350	Rec Youth	160	-	-	-	-	0.00%
316351	Day Camps	542,420	546,509	546,509	571,653	25,144	4.60%
316352	Pavilion Rentals	22,238	20,000	25,000	25,000	5,000	25.00%
316353	Cultural Arts	5,832	5,000	5,000	5,000	-	0.00%
316354	Special Events	194,405	250,961	225,961	225,000	(25,961)	-10.34%
316355	Museum Revenue	994	1,200	1,200	1,200	-	0.00%
316356	Museum Gift Shop	13,488	14,500	14,500	14,500	-	0.00%
316357	Show Mobile Revenue	2,221	4,800	4,800	4,000	(800)	-16.67%
316460	Sale of Publications	97	35	35	35	-	0.00%
316461	Subdivision Review Fees	9,477	24,000	24,000	15,750	(8,250)	-34.38%
316462	Site Plan Review Fees	155,224	88,000	104,000	107,100	19,100	21.70%
316463	Architectural Review	5,855	3,600	5,000	5,880	2,280	63.33%
316464	Tree Removal Permit	1,330	1,400	1,400	1,470	70	5.00%
316466	Surety Review	19,146	14,000	14,000	14,000	-	0.00%
316467	Mapping Sales	1,200	500	500	500	-	0.00%
316570	School Age Child Care	532,062	546,091	546,091	550,000	3,909	0.72%
316580	Returned Check Fees	2,235	3,000	3,005	3,000	-	0.00%
316581	Charge Card Fees	8,857	13,000	-	-	(13,000)	-100.00%
316585	Administrative Fees	11,217	10,000	3,632	10,000	-	0.00%
316586	Collection Fees	3,465	1,500	5,000	1,500	-	0.00%
316587	Attorney Fees	-	1,400	-	-	(1,400)	-100.00%
316712	5% Late Charge	-	2,500	-	-	(2,500)	-100.00%
316811	Inspection Fees After Hours	27,135	30,000	30,000	30,000	-	0.00%
<b>Total Charges for Services</b>		<b>\$ 3,304,373</b>	<b>\$ 3,298,075</b>	<b>\$ 3,183,557</b>	<b>\$ 3,305,663</b>	<b>\$ 7,588</b>	<b>0.23%</b>

## FY 2017 Adopted Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account #	Account Title	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted	Variance to Budget \$	Variance to Budget %
<b>Miscellaneous Revenue</b>							
318102	Sale of Surplus Property	\$ 61,965	\$ 25,000	\$ 70,000	\$ 70,000	\$ 45,000	180.00%
318104	Sale of Cemetery Lot	64,800	33,700	40,000	40,000	6,300	18.69%
318105	Perpetual Care - Cemetery	13,236	4,200	4,200	4,200	-	0.00%
318108	Sale of City License Plates	-	5,000	5,000	5,000	-	0.00%
318201	Misc. Revenue	207,003	65,000	82,164	159,817	94,817	145.87%
318203	Police Seized Assets	-	-	-	-	-	0.00%
318207	Equitable Sharing	-	-	19,100	-	-	0.00%
<b>Total Miscellaneous Revenue</b>		<b>\$ 347,004</b>	<b>\$ 132,900</b>	<b>\$ 220,464</b>	<b>\$ 279,017</b>	<b>\$ 146,117</b>	<b>109.95%</b>
<b>State Aid</b>							
321104	State Aid Police	\$ 557,133	\$ 595,133	\$ 595,133	\$ 614,285	\$ 19,152	3.22%
321106	Vehicle Rental Tax	310,670	275,000	302,000	305,000	30,000	10.91%
321201	Commissioner of Revenue	140,171	139,000	142,001	144,000	5,000	3.60%
321202	Treasurer	94,566	95,000	97,051	99,000	4,000	4.21%
321203	Registrar /Electoral	40,606	50,000	50,000	50,000	-	0.00%
321204	DMV Reimbursement	59,979	55,000	64,243	70,000	15,000	27.27%
324201	State Sales Tax	3,092,643	3,126,567	3,126,567	3,698,465	571,898	18.29%
324202	Basic School Aid	4,469,933	4,200,000	4,200,000	4,238,296	38,296	0.91%
324302	Four for Life Grants	27,204	21,000	21,000	21,000	-	0.00%
324323	Fire Equip Mini Grant	9,871	-	-	-	-	0.00%
324331	Asset Forfeiture	2,501	-	-	-	-	0.00%
324344	Fire Programs Fund	71,489	63,000	63,000	63,000	-	0.00%
324403	Street & Highway Maint.	2,449,215	2,448,852	2,448,852	2,546,917	98,065	4.00%
324405	Solid Waste Grant	48,447	6,501	6,501	6,200	(301)	-4.63%
324411	Disaster Assistance State	-	-	-	22,054	22,054	0.00%
<b>Total State Aid</b>		<b>\$ 11,374,428</b>	<b>\$ 11,075,053</b>	<b>\$ 11,116,348</b>	<b>\$ 11,878,217</b>	<b>\$ 803,164</b>	<b>7.25%</b>

**FY 2017 Adopted Budget – City of Fairfax, Virginia**

**General Fund Revenue Summary**

Account #	Account Title	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted	Variance to Budget \$	Variance to Budget %
<b>Federal Aid</b>							
331005	Bulletproof Vest Grant	\$ 1,660	\$ 2,800	\$ 3,139	\$ -	\$ (2,800)	-100.00%
331009	Alcohol Safety Grant	12,408	18,000	15,000	15,000	(3,000)	-16.67%
331010	Gang Task Force Grant	4,463	-	-	-	-	0.00%
331011	FEMA Grant	-	-	-	60,977	60,977	0.00%
331018	NCR Regional Planner	134,347	150,000	150,000	-	(150,000)	-100.00%
331023	Byrne JAG Grant	1,872	2,080	2,080	1,796	(284)	-13.65%
331043	SAFER Grant	257,875	217,000	150,071	-	(217,000)	-100.00%
331044	Assistance for Firefighters Grant	-	-	-	-	-	0.00%
331045	Citizen Preparedness Grant	-	-	-	-	-	0.00%
331046	LEMPG Grant	701	7,500	14,799	34,250	26,750	356.67%
331047	UASI EOC GRANT	-	-	-	217,300	217,300	0.00%
331048	Volunteer & Citizens Corp	3,060	-	-	-	-	0.00%
331049	UASI Citizen Prep Grant	12,557	-	-	-	-	0.00%
331051	UASI Phone	10,500	-	-	-	-	0.00%
331052	UASI State	-	-	-	7,500	7,500	0.00%
331053	UASI Tech	40,432	-	-	-	-	0.00%
<b>Total Federal Aid</b>		<b>\$ 479,875</b>	<b>\$ 397,380</b>	<b>\$ 335,089</b>	<b>\$ 336,823</b>	<b>\$ (60,557)</b>	<b>-15.24%</b>
<b>Other Financing Sources</b>							
318282	Fairfax Little League	\$ 5,625	\$ 5,625	\$ 5,625	\$ 5,625	\$ -	0.00%
318288	FPYC Turf Contribution	75,375	77,375	77,375	77,375	-	0.00%
318289	Schools Turf Contribution	20,000	20,000	20,000	20,000	-	0.00%
319008	City - County Contract	778,578	801,947	764,447	831,638	29,691	3.70%
342030	Insurance Recoveries	50,040	70,000	190,000	70,000	-	0.00%
347360	Downtown Fund Transfer for Debt Service	184,255	369,970	369,970	93,500	(276,470)	-74.73%
<b>Total Other Financing Sources</b>		<b>\$ 1,113,873</b>	<b>\$ 1,344,917</b>	<b>\$ 1,427,417</b>	<b>\$ 1,098,138</b>	<b>\$ (246,779)</b>	<b>-18.35%</b>
<b>Total Revenues</b>		<b>\$ 127,730,154</b>	<b>\$ 129,489,786</b>	<b>\$ 130,615,246</b>	<b>\$ 134,145,593</b>	<b>\$ 4,655,807</b>	<b>3.60%</b>
<b>Total Appropriated Fund Balance</b>							
	Repayment to General Fund	\$ (500,000)	\$ -	\$ -	\$ -	\$ -	0.00%
	School Tuition Reserve	-	-	-	-	-	0.00%
	Use of Unassigned Fund Balance	-	-	-	-	-	0.00%
	Use of Prior Year's Surplus	1,664,306	975,017	-	1,369,539	394,522	40.46%
<b>Total Appropriated Fund Balance</b>		<b>\$ 1,164,306</b>	<b>\$ 975,017</b>	<b>\$ -</b>	<b>\$ 1,369,539</b>	<b>\$ 394,522</b>	<b>40.46%</b>
<b>Total Revenue Available</b>		<b>128,894,460</b>	<b>130,464,803</b>	<b>130,615,246</b>	<b>135,515,132</b>	<b>5,050,329</b>	<b>3.87%</b>

FY 2017 Adopted Budget – City of Fairfax, Virginia

History of General Fund Revenues by Category

Category	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	2017 Adopted
Real Estate	\$ 43,774,958	\$ 47,677,911	\$ 49,386,587	\$ 49,960,103	\$ 51,075,000	\$ 57,072,395	\$ 59,505,606	\$ 61,441,513	\$ 63,955,418	\$ 66,054,468
Personal Property	10,011,917	11,070,647	9,782,686	9,976,554	9,944,909	10,377,334	10,243,702	10,171,214	10,326,457	10,596,000
Sales Tax	13,433,255	8,831,494	10,644,035	9,907,063	10,200,696	10,263,955	11,580,673	11,181,816	11,424,000	11,600,000
BPOL	8,599,019	8,375,551	7,485,808	8,151,072	8,554,669	8,932,634	8,709,712	8,740,824	8,800,000	8,780,000
Meals Tax	4,628,045	4,634,109	4,654,170	4,938,869	5,252,922	5,553,975	5,703,399	5,771,329	5,900,000	6,000,000
Other Local Taxes	7,662,450	7,226,450	7,687,009	8,036,140	8,560,379	8,384,251	8,375,385	8,543,760	8,885,100	9,042,637
Licenses, Permits, and Fees	1,055,604	1,065,386	1,299,114	1,230,352	1,540,689	1,408,601	1,434,496	1,300,349	1,480,459	1,575,375
Fines & Forfeitures	893,186	873,594	919,482	1,041,172	1,288,331	1,148,262	1,113,719	1,233,802	1,361,057	1,401,300
Use of Money & Property	3,446,770	2,298,050	1,965,922	1,866,897	1,947,934	2,162,378	2,696,575	2,725,994	2,199,880	2,197,955
Charges for Services	1,391,864	2,424,216	2,507,399	2,878,252	3,176,925	3,249,168	3,049,479	3,304,373	3,183,557	3,305,663
Intergovernmental	10,960,395	11,033,810	10,878,733	10,358,222	10,837,393	11,318,838	11,480,641	11,854,303	11,451,437	12,215,040
Other Financing Sources / Misc.	3,527,196	3,070,983	4,513,438	1,076,776	1,245,630	1,152,263	1,043,308	1,460,877	1,647,881	1,377,155
Appropriated Fund Balance	2,180,574	3,877,676	1,181,000	282,267	1,926,940	-	1,260,276	1,164,306	-	1,369,539
<b>Total Revenue</b>	<b>\$111,565,233</b>	<b>\$112,459,877</b>	<b>\$112,905,383</b>	<b>\$109,703,739</b>	<b>\$115,552,417</b>	<b>\$121,024,054</b>	<b>\$126,196,971</b>	<b>\$128,894,460</b>	<b>\$130,615,246</b>	<b>\$135,515,132</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 estimated 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 Revenue**

Category	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted
Real Estate Tax Revenue	\$ 60,098,544	\$ 60,631,466	\$ 62,219,390	\$ 64,088,453
Base Real Estate Tax Rate	\$ 1.032	\$ 1.032	\$ 1.040	\$ 1.040
Stormwater Tax Rate	2.0¢	2.0¢	2.25¢	2.25¢
<b>Total Real Estate Tax Rate</b>	<b>\$ 1.052</b>	<b>\$ 1.052</b>	<b>\$ 1.062</b>	<b>\$ 1.062</b>

Category	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted
Old Town Service District Revenue	\$ 184,255	\$ 187,931	\$ 190,684	\$ 190,651
Old Town Service District Tax Rate	6.0¢	6.0¢	6.0¢	6.0¢

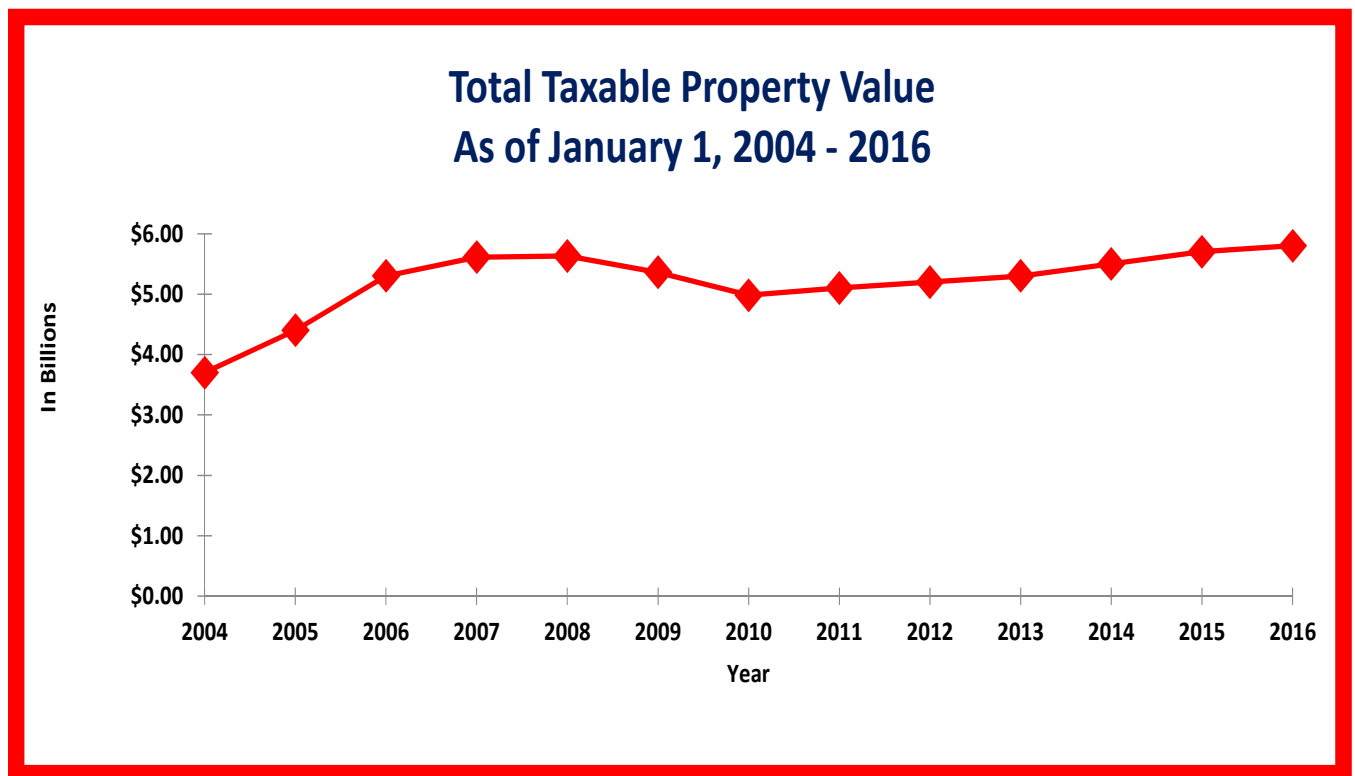
Category	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted
Commercial & Industrial Revenue	\$ 1,126,257	\$ 1,389,988	\$ 1,545,343	\$ 1,775,364
Commercial & Industrial Tax Rate	7.5¢	7.5¢	9.5¢	9.5¢

Real property tax revenues account for the largest category of revenue for the General Fund, representing 48.7 percent of total General Fund revenues. The FY 2017 Adopted Budget increases the real estate tax rate 1.0¢ to \$1.062, which includes 2.25¢ to be dedicated for the Stormwater Fund. The base rate was increased .75¢ and the tax rate dedicated to Stormwater increased .25¢. The Stormwater Fund revenues 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. The FY 2017 Adopted Budget also increases the Commercial and Industrial tax rate to 9.5¢.

## FY 2017 Adopted Budget – City of Fairfax, Virginia

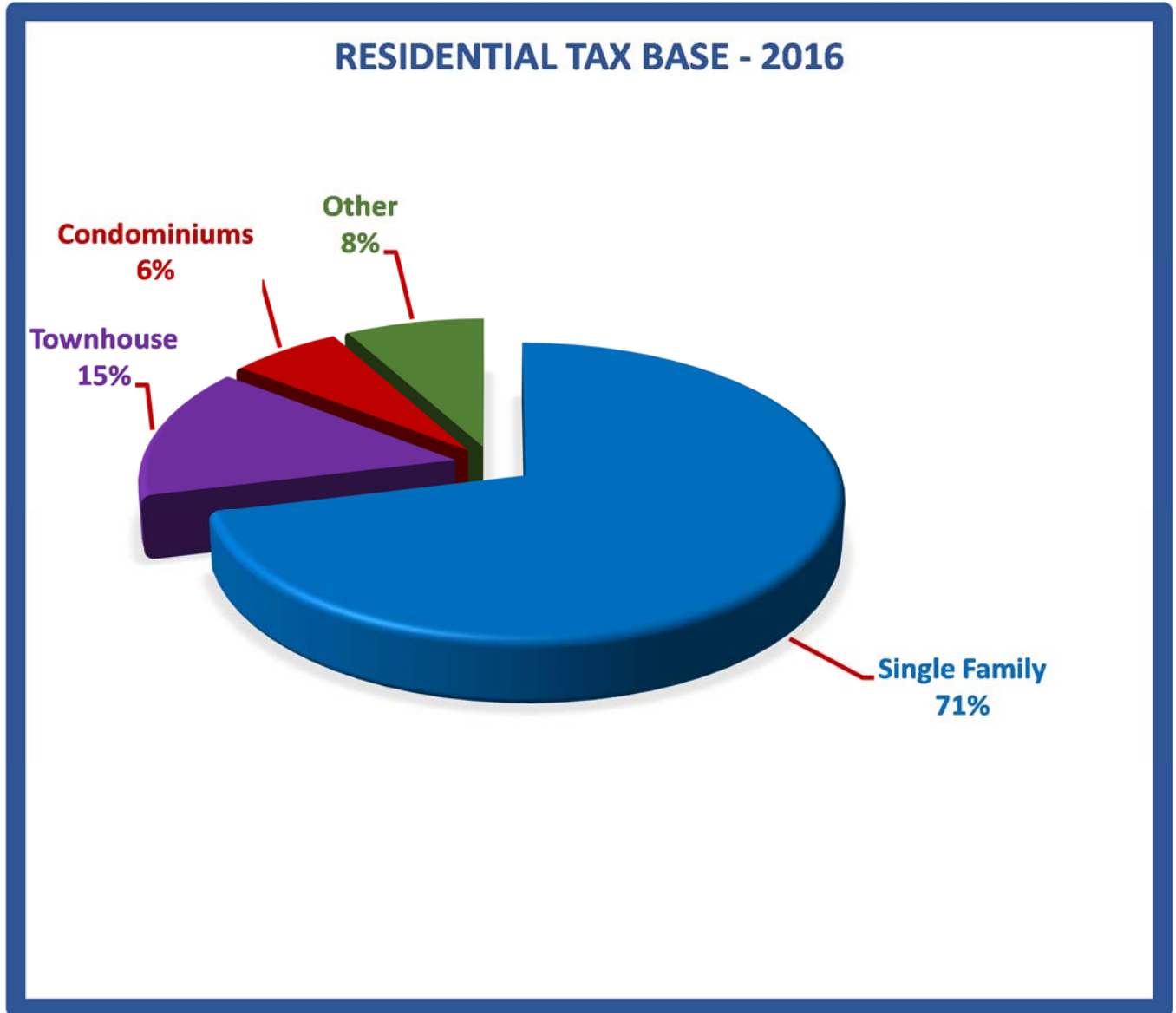
Total real estate assessments are up 2.1 percent, which includes new construction of \$25.0 million, compared to a 1.8 percent increase for the previous fiscal year.

Assessments	CY	CY	Variance	
	2015	2016	\$	%
Residential	\$ 3,624,478,000	\$ 3,725,779,427	\$ 101,301,427	2.8%
Commercial	\$ 2,068,542,000	\$ 2,088,396,700	\$ 19,854,700	1.0%
<b>Total</b>	<b>\$ 5,693,020,000</b>	<b>\$ 5,814,176,127</b>	<b>\$ 121,156,127</b>	<b>2.1%</b>



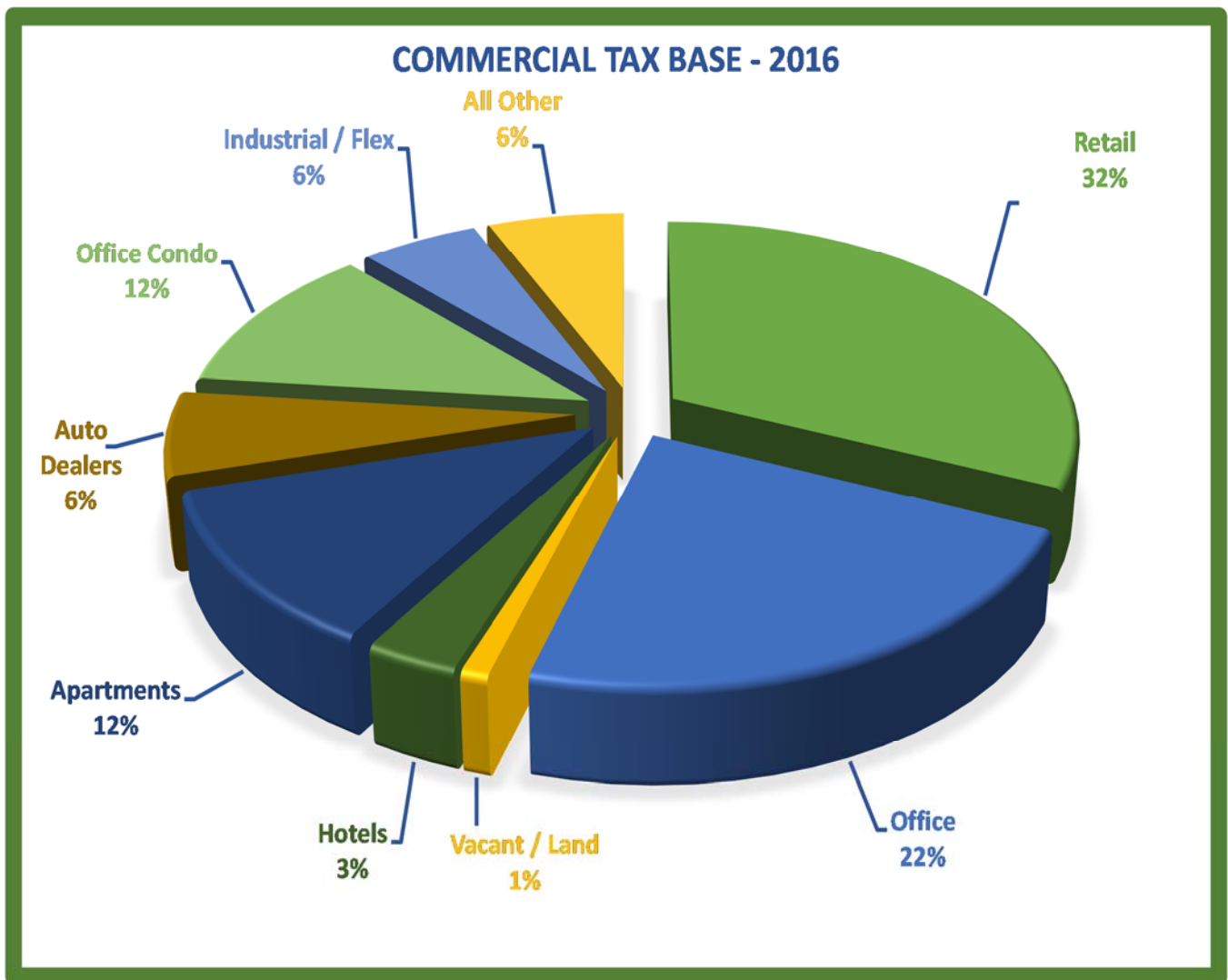
The calendar year 2016 total taxable value of City residential and commercial properties before appeals is \$5,814,176,127, an increase from last year's total assessed value of \$121,156,127 (2.1%).

The overall residential assessment total, including new construction, has increased by 2.8 percent. The following notes the breakout by category for the residential tax base.



## FY 2017 Adopted Budget – City of Fairfax, Virginia

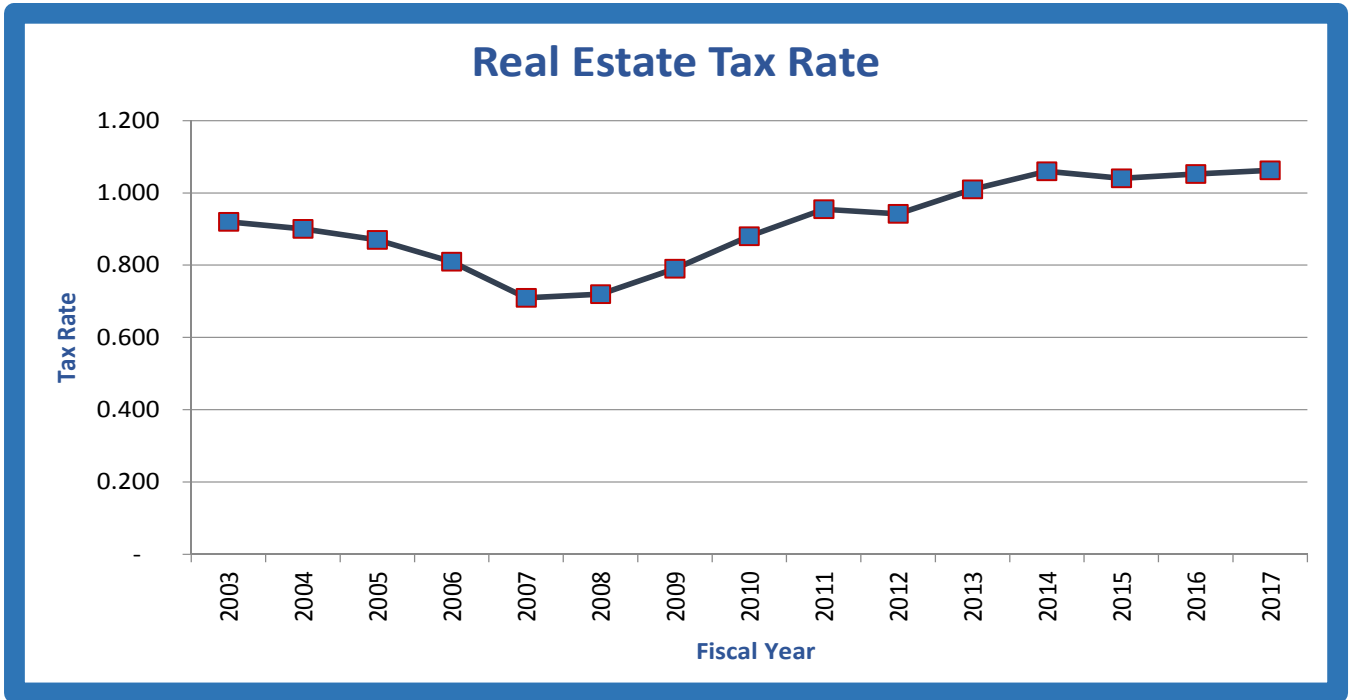
Commercial assessments note an increase of 1.0 percent overall, which includes new construction. The following represents the breakout by category for the commercial tax base.



The Old Town Service District tax 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 and to pay debt service on downtown infrastructure improvement.

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 for the FY 2016 budget to 7.5¢. A 2.0¢ addition to the current 7.5¢ rate was approved for FY 2017, increasing the rate to 9.5¢.

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 26.5 cents per \$100 of assessed value (adopted fiscal year 2017 rates) on top of Fairfax County rate, respectively.

The City’s adopted real estate tax rate of \$1.062 is an increase of 1.0¢ cent from FY 2016. The average residential tax bill is expected to increase by 3.2 percent. The following chart provides an illustrative example by three residential assessed values:

**Impact of 2017 Real Estate Tax Rate  
On Residential Property Owner’s Tax Bill at Various Values**

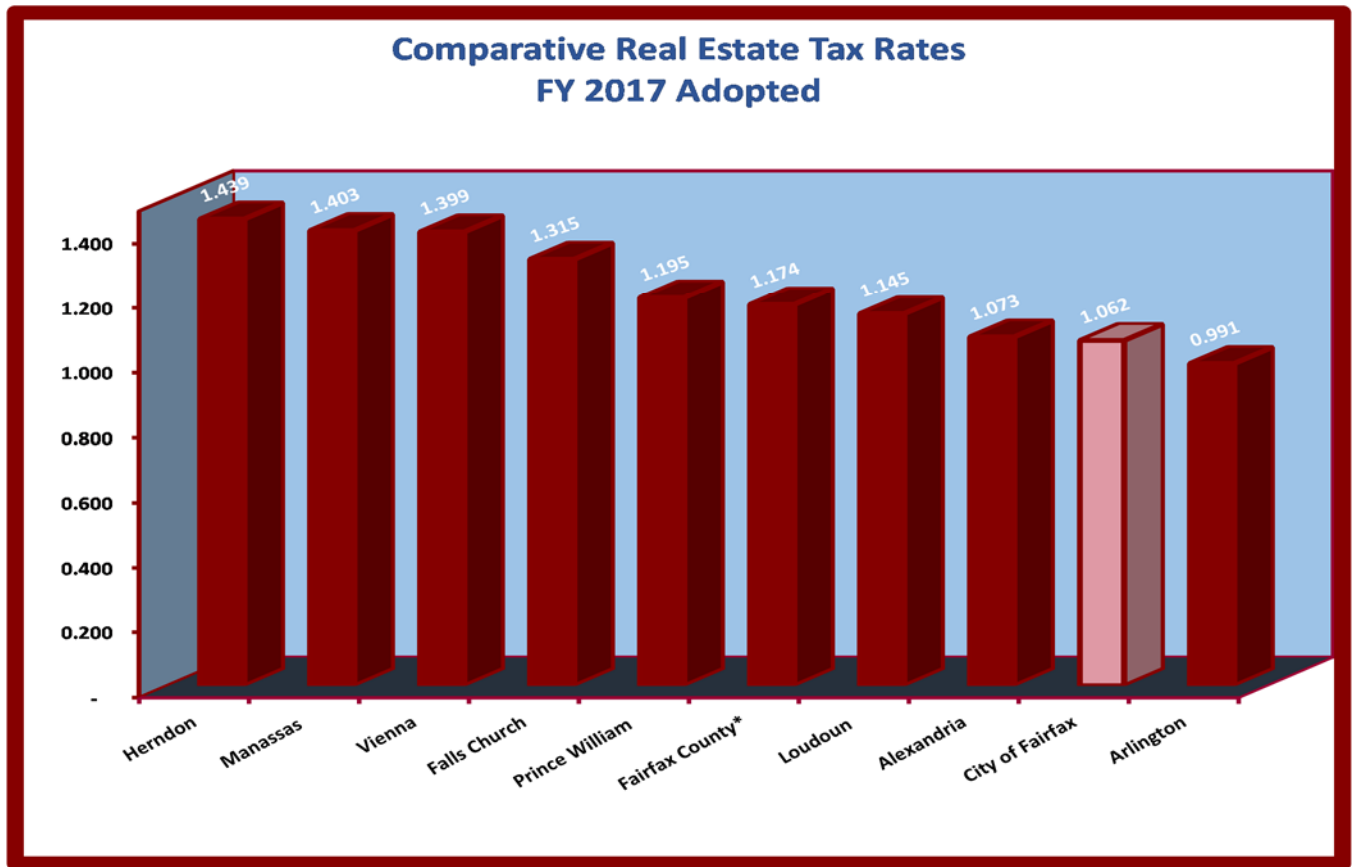
CY 15 Assessment	CY 15 Tax Rate	CY 15 Tax Bill	CY 16 Assessment	CY 16 Tax Rate	CY 16 Tax Bill	Change	
						\$	%
472,285	\$ 1.052	4,968	482,675	1.0620	5,126	158	3.2%
500,000	\$ 1.052	5,260	511,000	1.0620	5,427	167	3.2%
700,000	\$ 1.052	7,364	715,400	1.0620	7,598	234	3.2%

Note: average estimated increase in assessment of 2.2 percent (excludes new construction); each property is individually assessed therefore each property assessment may be higher or lower than the average.

## FY 2017 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 \$1.03 per \$100 of assessed value. This is 3.2 cents less than the adopted FY 2017 rate of \$1.062. The real estate equalization rate for residential and commercial properties combined is \$1.035 per \$100 of assessed value, 2.7¢ less than the adopted FY 2017 rate of \$1.062.

FY 2017 Adopted rates are available for all of the surrounding jurisdictions, and are shown below for comparison.



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

## 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, 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 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted
<b>Personal Property Tax Revenue</b>	\$ 10,171,214	\$ 10,595,000	\$ 10,326,457	\$ 10,596,000
<b>Personal Property Tax Rate</b>	\$4.13	\$4.13	\$4.13	\$4.13



The FY 2017 Adopted Budget reflects no change in the Personal Property Tax rate of \$4.13. FY 2017 revenues are projected to remain flat compared with the FY 2016 budget.

**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 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted
<b>Local Sales &amp; Use Tax Revenue</b>	\$ 11,181,816	\$ 11,424,000	\$ 11,424,000	\$ 11,600,000

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 2017 based on an improving retail sales trend with the addition of the new Lowe’s.

**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 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted
<b>BPOL Tax</b>	\$ 8,740,824	\$ 9,050,000	\$ 8,800,000	\$ 8,780,000

FY 2017 projected BPOL Tax revenues have declined from the FY 2016 Budget due to a change in the BPOL rate methodology (\$70k), while other BPOL revenue drivers are predicted to remain flat due to the transition from the Fairfax Circle Shopping Center to the new Scout on the Circle development.

**Meals Tax**

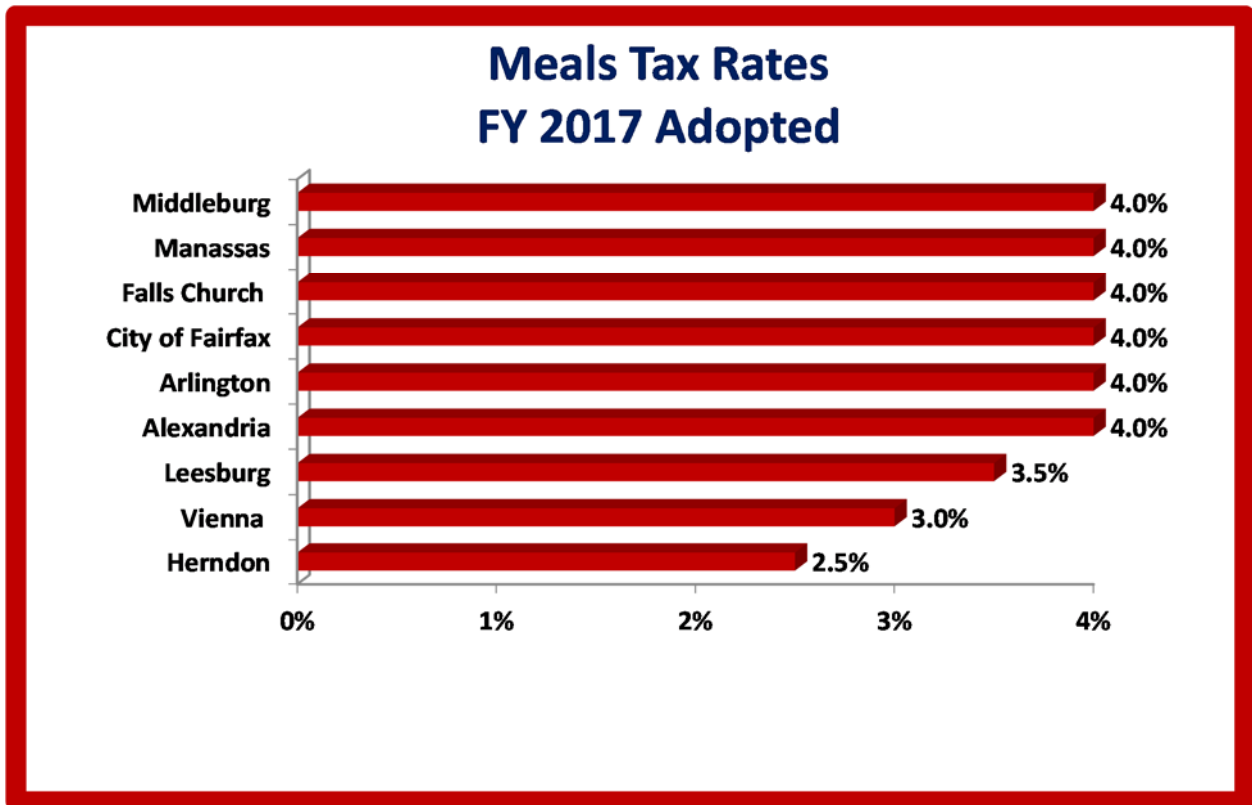
**Background**

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

**Fiscal Impact – Meals Tax**

	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted
<b>Meals Tax Revenue</b>	\$ 5,771,329	\$ 6,000,000	\$ 5,900,000	\$ 6,000,000
<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 2016 revenue estimate is projected to increase 2.2% from the FY 2015 actual, based on receipts for the first eleven months of the current fiscal year. The FY 2017 projection remains flat as compared to the FY 2016 budget based on current 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.



**Tobacco Tax**

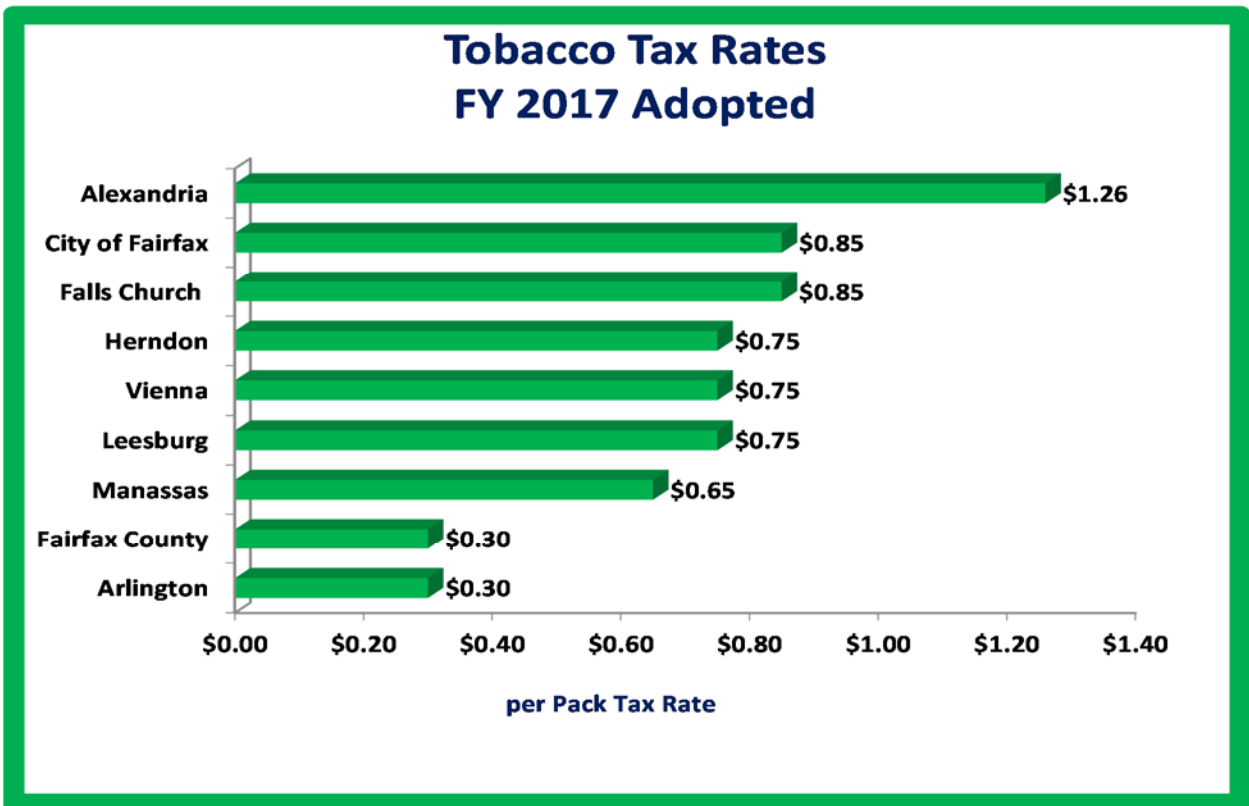
**Background**

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 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted
<b>Tobacco Tax Revenue</b>	\$ 862,776	\$ 900,000	\$ 850,000	\$ 819,637
<b>Tobacco Tax Rate</b>	\$0.85	\$0.85	\$0.85	\$0.85

Tobacco tax revenues for the FY 2016 estimate are projected at \$850,000, based on receipts for the first eight months of the current fiscal year, a slight decrease of 1.5% from FY 2015 actual revenues. FY 2017 revenues are projected to continue to decrease from the FY 2016 Estimate.



**Transient Lodging Tax**

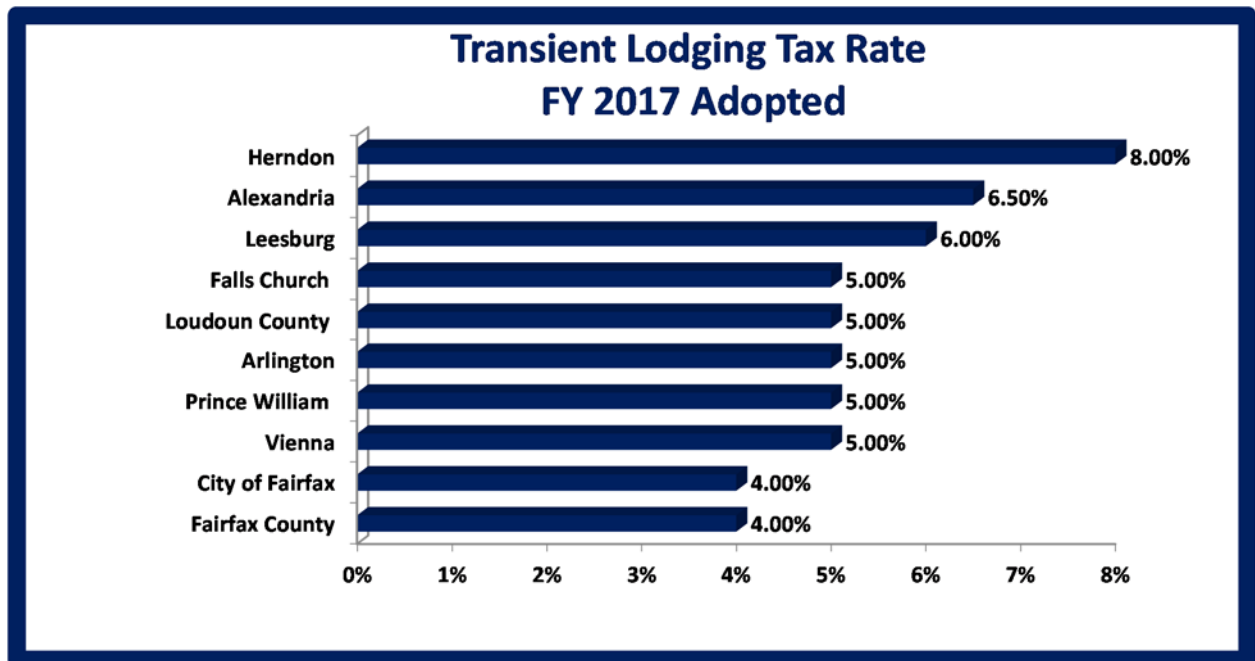
**Background**

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**

	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted
<b>Transient Lodging Tax Revenue</b>	\$ 893,820	\$ 850,000	\$ 1,000,000	\$ 1,100,000
<b>Transient Lodging Tax Rate</b>	4%	4%	4%	4%

The Transient Lodging Tax revenue is projected to increase by 10.0% over the FY 2016 estimate based on the favorable trends seen during the first eight months of the current fiscal year. The City of Fairfax currently is tied with Fairfax County for the lowest rate in the region as shown by the chart below.



**Licenses, Permits, and Fees**

	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted
<b>Licenses, Permits, and Fees</b>	\$ 1,300,349	\$ 1,436,600	\$ 1,480,459	\$ 1,575,375

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 2017 projects a 6.4% increase from the FY 2016 estimate primarily due to an increase in construction-related permits as a result of an improving housing market.

**Fines and Forfeitures**

	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted
<b>Fines &amp; Forfeitures</b>	\$ 1,233,802	\$ 1,335,704	\$ 1,361,057	\$ 1,401,300

This category of revenues is projected to increase by 3.0% in FY 2017 from the FY 2016 estimate based on recent trends in collections. A projected increase in Photo Red Light fines are the primary cause of this increase.

**Use of Money and Property**

	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted
<b>Use of Money and Property</b>	\$ 2,725,994	\$ 2,122,772	\$ 2,199,880	\$ 2,197,955

Overall revenues are projected to decrease by .1% in FY 2017 from the FY 2016 estimate.

**Charges for Services**

	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted
<b>Charges for Services</b>	\$ 3,304,373	\$ 3,298,075	\$ 3,183,557	\$ 3,305,663

Overall revenues are projected to increase by 3.9% in FY 2017 from the FY 2016 estimate due primarily to projected increases in the GMU Fire Recovery Fee (\$25k), Ambulance fees (\$32k), Parks and Recreation program revenue (\$65k).

**State Aid**

	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted
<b>State Aid</b>	\$ 11,374,428	\$ 11,075,053	\$ 11,116,339	\$ 11,878,217

Total funding for state aid is projected to increase by 6.8% from the FY 2016 estimate, primarily due to higher state aid for education (\$610k) and highway maintenance (\$98k).

**Federal Aid**

	FY 2015 Actual	FY 2016 Budget	FY 2016 Estimate	FY 2017 Adopted
<b>Federal Aid</b>	\$ 479,875	\$ 397,380	\$ 335,089	\$ 336,823

Federal Aid is typically dedicated to public safety areas such as Firefighters and Police grants, and FEMA Disaster Reimbursements.

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