



General Fund Revenue and Trends FY 2021 Proposed Budget

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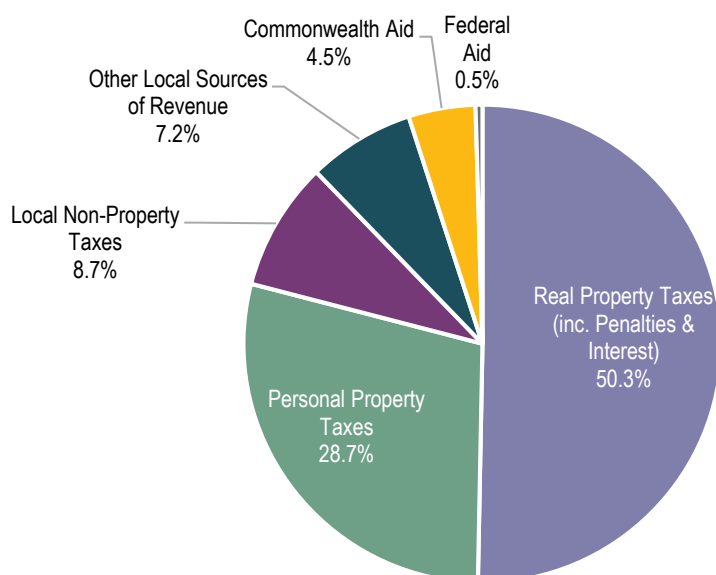




General Fund Revenue and Trends

The General Fund is one of multiple funds that exist within the County's accounting and budgeting systems. It is the largest such fund in terms of dollars; and it is the primary financing source for annual appropriations related to the ordinary, jurisdiction-wide operations of County government. "Revenue" in the General Fund consists of money that goes directly to the Fund when realized by the County and money initially appropriated in other funds that are transferred into the General Fund during the fiscal year. There are five major categories of General Fund Revenue: General Property Taxes, Local Non-Property Taxes, Other Local Sources of Revenue, Commonwealth Aid, and Federal Aid. The chart below shows the percentage contribution of each of these five categories to FY 2021 Proposed General Fund Revenue, the largest being General Property Tax revenues (separated into its Real and Personal Property tax components) at 79 percent.

FY 2021 Proposed Budget General Fund Revenue



The County's Revenue Committee reviews all estimates of local tax revenues. The Revenue Committee consists of the Commissioner of the Revenue, the County Treasurer, the Clerk of the Circuit Court, the Chief Financial Officer, and representatives of several County operating departments. The Revenue Committee also reviews projected revenues from several non-tax sources that represent substantial amounts of revenue (e.g., building permits, court fines, and interest on investments).

The following table¹ presents the five major General Fund revenue categories and related subcategories. The following pages present historic and projected revenues for each subcategory at a greater level of detail along with brief descriptions of each. The actual amounts shown for Total General Fund Revenue for past years may exceed the corresponding values reported in Schedule 1 and Exhibit V of the County's Comprehensive Annual Financial Report (CAFR). The CAFR does not classify inter-fund transfers (here included within 'Other Financing Sources') or proceeds from asset sales (here included in 'Miscellaneous') as revenue.

¹In all tables in this chapter, the sum of the individual revenue lines may not equal the totals due to rounding.

**General Property Taxes****General Fund Revenue Summary**

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
General Property Taxes					
Real Property	\$820,954,120	\$859,469,049	\$880,687,704	\$909,154,300	\$972,456,700
Personal Property	280,250,324	334,761,967	414,487,395	464,830,500	560,515,840
Penalties & Interest	12,721,331	9,712,425	9,437,408	7,158,000	9,150,000
Total General Property	\$1,113,925,774	\$1,203,943,441	\$1,304,612,507	\$1,381,142,800	\$1,542,122,540
Local Non-Property Taxes					
Sales & Use Tax	\$72,469,150	\$74,095,287	\$77,782,399	\$78,850,000	\$81,311,500
Consumers Utility Taxes	21,807,354	22,094,646	22,173,117	22,637,000	21,359,600
Business License (BPOL)	35,210,681	36,760,291	39,895,906	37,523,250	42,162,900
Franchise Fees & Misc.	31,992,966	27,637,222	24,050,246	26,125,000	25,408,740
Total Non-Property Taxes	\$161,480,152	\$160,587,446	\$163,901,668	\$165,135,250	\$170,242,740
Total Local Tax Revenue	\$1,275,405,926	\$1,364,530,887	\$1,468,514,175	\$1,546,278,050	\$1,712,365,280
Other Local Sources of Revenue					
Permits, Fees, & Licenses	\$24,158,503	\$26,413,319	\$25,850,493	\$23,794,484	\$23,874,129
Fines & Forfeitures	2,068,578	2,059,764	1,929,794	1,982,701	1,652,700
Use of Money & Property	8,569,985	14,018,102	24,414,455	13,176,167	14,927,544
Charges for Services	36,969,037	39,286,622	41,576,182	44,409,268	49,213,428
Miscellaneous Revenue	28,925,802	16,786,369	8,640,741	1,580,748	706,900
Recovered Costs	9,674,223	11,708,666	10,684,252	9,892,184	9,806,821
Other Financing Sources	13,129,985	7,856,807	7,986,566	40,567,714	41,121,048
Total Other Local Revenue	\$123,496,113	\$118,129,649	\$121,082,483	\$135,403,266	\$141,302,570
Total Local Revenue	\$1,398,902,039	\$1,482,660,536	\$1,589,596,658	\$1,681,681,316	\$1,853,667,850
Commonwealth Aid					
Non-Categorical	\$57,861,493	\$58,382,879	\$57,717,002	\$58,121,693	\$58,034,693
Shared Expenses	15,578,644	16,153,368	16,485,903	17,160,105	17,160,105
Categorical – Unrestricted	2,737,965	2,711,430	3,020,784	3,319,460	5,361,343
Categorical – Restricted	9,688,241	10,523,714	10,864,378	9,431,931	7,859,775
Total Commonwealth Aid	\$85,866,343	\$87,771,391	\$88,088,068	\$88,033,189	\$88,415,916
Federal Aid					
Payment in Lieu of Taxes	\$3,292	\$3,360	\$3,435	\$1,800	\$1,800
Categorical Aid	8,187,401	9,659,546	10,444,898	9,137,990	9,127,571
Total Federal Aid	\$8,190,693	\$9,662,906	\$10,448,333	\$9,139,790	\$9,129,371
Total General Fund Revenue	\$1,492,959,075	\$1,580,094,833	\$1,688,133,058	\$1,778,854,295	\$1,951,213,137



General Property Taxes

General Property Taxes

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Real Property Taxes					
Current Real Property Taxes	\$806,932,680	\$837,436,076	\$858,338,398	\$892,395,000	\$951,765,460
Real Property – Rollback	455,790	2,802,935	1,365,967	0	0
Relief for Elderly & Disabled	(10,571,362)	(8,913,786)	(10,900,358)	(12,420,000)	(12,420,000)
Payment in Lieu of Taxes	227,900	234,800	241,900	249,300	256,680
Total – Real Property Taxes	\$797,045,008	\$831,560,026	\$849,045,907	\$880,224,300	\$939,602,140
Public Service Corp. (PSC) Property Taxes					
PSC Real Property Taxes ¹	\$23,909,112	\$27,909,023	\$31,641,796	\$28,930,000	\$32,854,560
PSC Vehicle Taxes	39,422	33,144	72,410	30,000	65,000
Total – PSC Property Taxes	\$23,948,534	\$27,942,167	\$31,714,206	\$28,960,000	\$32,919,560
Personal Property Taxes					
Aircraft Taxes	\$28,870	\$30,624	\$42,673	\$30,000	\$50,000
Computer Equipment	150,543,010	195,159,471	257,737,943	313,450,000	394,508,100
Furniture & Fixtures	23,595,330	26,541,445	28,694,465	30,960,000	32,297,400
Heavy Equipment Taxes	2,075,124	2,026,607	1,972,747	1,900,000	1,862,000
Machinery & Tools Taxes	1,627,470	1,967,965	2,336,310	1,700,000	2,430,900
Mobile Home Taxes	13,579	14,560	13,877	11,300	13,870
Satellite Mfg. Equipment	4,284	4,980	5,297	4,200	5,000
Vehicle Taxes	102,323,235	108,921,319	123,543,662	116,680,000	129,218,700
Broadband Wireless Business Equipment	0	61,854	68,010	65,000	65,000
Total – Personal Property	\$280,210,902	\$334,728,823	\$414,414,985	\$464,800,500	\$560,450,970
Property Tax Penalties & Interest					
Penalties	\$4,757,153	\$7,699,490	\$7,256,080	\$4,158,000	\$7,500,000
Super Penalty	2,616,060	0	0	0	0
Interest	5,348,118	2,012,935	2,181,328	3,000,000	1,650,000
Total – Penalties & Interest	\$12,721,331	\$9,712,425	\$9,437,408	\$7,158,000	\$9,150,000
Total – General Property Taxes	\$1,113,925,774	\$1,203,943,441	\$1,304,612,507	\$1,381,142,800	\$1,542,122,540

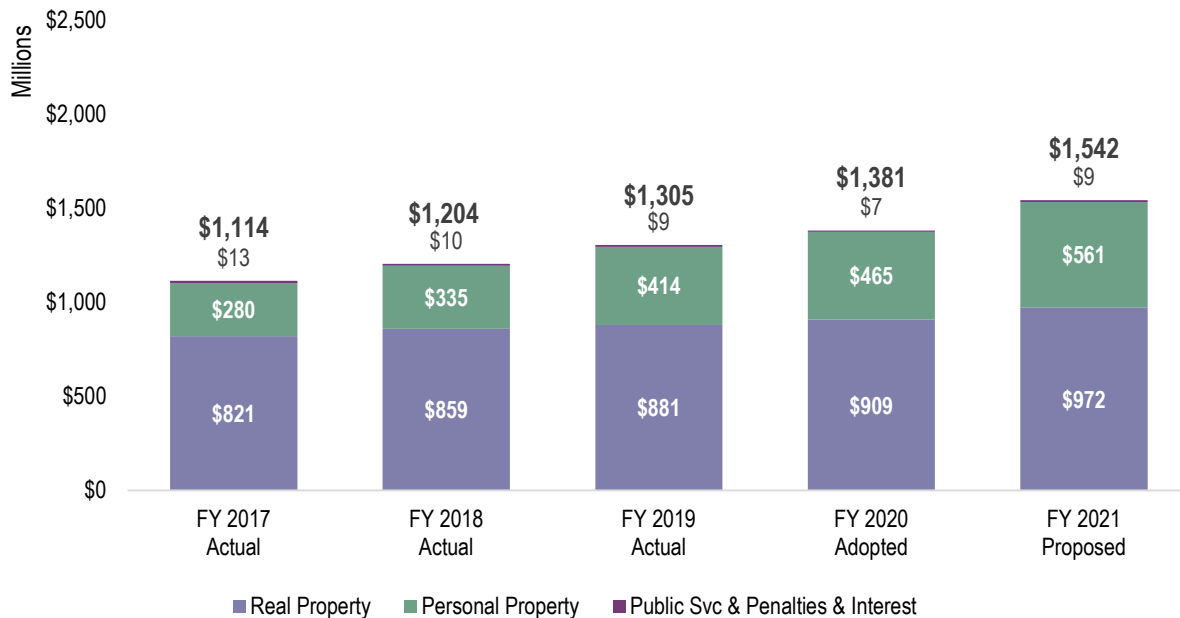
Note: The descriptions of local taxes that follow are general in nature and include main features only. Readers should refer to the statutory references provided or the County website for additional details.

¹ All PSC personal property other than motor vehicles is taxed at the real property tax rate and included in the PSC Real Property total.



General Property Taxes

General Property Tax Revenue



Real Property Taxes

- Legal Authority** – Article X of the Constitution of Virginia; Code of Virginia § 58.1-3200 et seq.; Loudoun County Ordinances § 4-860, 864, 870, and 872.
- Description** – All land, structures, improvements, mineral deposits, and timber which are not exempted by State law are subject to local taxation at 100 percent of the fair market value as of January 1 of the calendar year in which the tax is levied. The methods used to assess fair market value must comport with State law. Taxable real property includes the value of leasehold interests and concessions located on land that is exempt from property tax. Exempt real property includes government-owned real estate, property devoted to religious purposes, and property meeting certain other eligibility criteria specified in the Code of Virginia, including ownership by elderly and disabled individuals or disabled military veterans. In calendar year 2019 an estimated 7.7 percent or \$7.5 billion of the county's real property assets qualified for tax exemption. Real property zoned for agricultural use may qualify for the County's land use program. Under this program the property tax due on the difference between the fair market value of the land in its highest and best use and its value in agriculture, horticulture, or open space is deferred until such time as the property is re-zoned to a high-density, non-agricultural use. Such conversion requires the payment of deferred taxes (plus interest) for the past five years (shown as Rollback revenue in the above table). In 2019, the County's land use program permitted deferral of taxes on approximately \$1.3 billion or 1.5 percent of Loudoun's taxable real property. Tax is also not levied on the difference between the "use value" and the fair market value of land subject to permanent easement.
- Administration** – Loudoun's Commissioner of the Revenue assesses the fair market value of all real property other than property owned by public service corporations (which is assessed by the Virginia State Corporation Commission), and the operating property of railroads and interstate pipelines (which is assessed by the Virginia Department of Taxation). The State Land Advisory Council provides recommended valuations to the Commissioner of the Revenue for agricultural property enrolled in the land use program. Assessments are performed each year and are subject to appeal. Property owners are informed of results by mail in March. Loudoun's Treasurer bills and collects real property taxes semiannually with payments due on June 5 and December 5. Owners of new structures under construction may receive supplemental tax bills at other times based upon the state of completion with the amount prorated to cover the remaining portion of the calendar year. The County Treasurer issues property tax bills and collects the levies.



General Property Taxes

- Tax Rate** – The FY 2021 Proposed real property tax revenue estimate reflects a real property tax rate of \$1.035 per \$100 of assessed value on and after January 1, 2020, one cent below the current real property tax rate of \$1.045. During calendar 2019, the Commissioner of the Revenue estimates that apart from the value of new construction and improvements, the fair market value of taxable property that existed in the County at the start of 2019 increased by approximately 3.97 percent. The equalized tax rate offsets the change in market value of all real property over the previous calendar year that is not attributable to new structures and parcel development. The Board of Supervisors establishes the real property tax rate, which is uniform for all real property in the jurisdiction. By law, any real property tax rate that would yield revenue in the current calendar year that is greater than 101 percent of the revenue levied in the prior year can only be approved after public notice and hearing. Historic real property tax rates are shown in the table on page R-8. The County also establishes special tax districts, each with its own special tax levy and associated special district fund. The table on page R-8 also shows real property tax rates for the special purpose tax districts. Owners of non-exempt real property within a special tax district pay the special levy in addition to the general property tax; the special levy revenue is dedicated to the specific purpose for which the tax district was created.
- Supplemental Information** – Additional information on the real property tax revenue forecast appears in the last section of the chapter entitled ‘Forecast Discussion and Analysis’. Adopted FY 2020 real property revenue reflects the purchase in November 2018 of 423 acres of previously tax-exempt vacant land near Dulles Airport from the Metropolitan Washington Airports Authority by a private developer. This property is taxable in 2019 with an assessed value of approximately \$200 million.

Real Property Tax Relief – Foregone Revenue	Tax Year 2017 Actual	Tax Year 2018 Actual	Tax Year 2019 Actual	Tax Year 2020 Est.	Tax Year 2021 Est.
Elderly & Disabled	\$7,800,029	\$7,681,038	\$7,893,615	\$9,884,000	\$8,980,000
Disabled Veterans/KIA Spouse	1,923,119	2,540,768	3,093,968	2,596,000	3,500,000
Total – Real Property Tax Relief	\$9,723,148	\$10,221,806	\$10,987,583	\$12,480,000	\$12,480,000

Real Property Tax Relief

- Legal Authority** – Article X of the Constitution of Virginia; Code of Va. § 58.1-3210 et seq., § 58.1-3219.5 et seq.; Loudoun County Ordinances § 4-872.
- Description** – Real property owners who are at least 65 years of age or who are totally and permanently disabled may qualify for 100 percent relief from the tax on their principle residence and up to three acres of land provided their total combined (i.e., including their spouse) income and financial net worth (excluding the value of the home and up to 10 acres) are less than \$72,000 and \$440,000, respectively. Effective January 1, 2019, eligibility for partial relief is also extended to property owners having net worth exceeding \$440,000 but less than \$920,000.01 and who meet the age or disability criteria. Such property owners may qualify for 50 percent tax relief provided their income does not exceed the limit associated with their net worth. Military veterans having 100 percent service-connected, total and permanent disability may qualify for 100 percent property tax exemption irrespective of their financial status. The surviving spouse of a disabled veteran is also eligible for real property tax exemption if the veteran died after December 31, 2010, the surviving spouse maintains the property as a principal residence, and he or she does not remarry. Beginning January 1, 2015, State law provides local property tax exemption on the primary residence of the surviving spouse of a service member killed in action. Tax relief is provided on a tax year basis.
- Administration** – The Commissioner of the Revenue administers applications for and determines eligibility for real property tax relief. Application forms and additional information are available on the Loudoun County website.
- Tax Rate** – The real property tax revenue foregone due to these exemptions is calculated using the real property tax rate in effect at the time.



General Property Taxes

- **Supplemental Information** – The fiscal year values shown for FY 2020 and FY 2021 in the above table for ‘Elderly & Disabled’ and for ‘Disabled Veterans/KIA spouse’ are estimates derived from calendar-year values compiled by the Commissioner of the Revenue. The estimated amount of tax relief for these years includes an estimated \$3 million in relief associated with the four new income-net worth eligibility brackets adopted by the Board of Supervisors on December 13, 2017. The four new partial relief brackets became effective on January 1, 2019.

Personal Property Taxes

- **Legal Authority** – Article X of the Constitution of Virginia; Code of Va. § 58.1-3500 et seq.; Loudoun County Ordinances § 4-860, 864, and 873.
- **Description** – This tax applies to 100 percent of the fair market value of all tangible personal property as of January 1 of the calendar year in which the tax is levied. Tangible personal property includes all personal property not classified as intangible (e.g., computer software, accounts receivable, equipment used in manufacturing), merchant’s capital (e.g., inventory of stock for sale, daily rental motor vehicles), or as short-term rental property. State law establishes a set of personal property categories for the purpose of assessing value and another set of categories for applying tax rates. Different valuation methods may be used for different classes of property but the same method must be used for all types of property within the same category. Likewise, the same tax rate must be applied to all personal property within a given tax category. This procedure ensures that the same amount of tax will be collected from similar types of personal property having equal value, thereby promoting equity across property owners. State law also provides for exemptions from the personal property tax under specified conditions and for tax rates below the general personal property tax rate for certain categories of personal property. The categories of personal property having the largest valuations in Loudoun County are motor vehicles and computer equipment.
- **Administration** – Loudoun’s Commissioner of the Revenue determines the value of all tangible personal property other than property owned by public service corporations (which is assessed by the Virginia State Corporation Commission). New businesses and individuals are required to file a personal property tax return with the Commissioner of the Revenue within 60 days of acquiring or bringing such property into Loudoun County or one of its seven incorporated towns. Thereafter, all owners of tangible personal property are required to file annual declarations identifying the stock and condition of all tangible personal property as of January 1. Loudoun’s Treasurer bills and collects the personal property tax semiannually with payments due by May 5 and October 5 for property located in Loudoun on January 1.
- **Tax Rate** – The table on the following page shows historic and current personal property tax rates applicable to the tangible personal property sub-categories shown in the previous table. For sub-categories, the general personal property tax rate applies unless indicated otherwise. The table of tax rates also shows the rates applicable to more specific property categories (e.g., motor vehicles owned by volunteer fire and rescue personnel) that are included in the categories reported in the revenue table.
- **Supplemental Information** – Additional information regarding the derivation of the forecast of personal property tax revenues appears at the end of the chapter in the section labelled ‘Forecast Discussion and Analysis’.



General Property Taxes

Real and Personal Property Tax Rates by Tax Year (Calendar Year)

\$Tax per \$100 Assessed Value

Property Tax Category	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020
Taxable Real Property					
Real Property – General	1.145	1.125	1.085	1.045	1.035 ¹
Public Utility Property – General	1.145	1.125	1.085	1.045	1.035 ¹
Route 28 Highway Transportation Improvement District	0.180	0.180	0.180	0.180	0.180
Hamilton Sewer Service District	0.000	0.000	0.000	0.000	0.000
Metrorail Service Tax District	0.200	0.200	0.200	0.200	0.200
Rt. 606 Airport Stations Services Tax District	0.000	0.000	0.000	0.000	0.000
Rt. 772 Station Services Tax District	0.000	0.000	0.000	0.000	0.000
Taxable Personal Property					
Personal Property – General	4.200	4.200	4.200	4.200	4.200
Personal Property – Vehicles	4.200	4.200	4.200	4.200	4.200
Personal Property – Furniture & Fixtures	4.200	4.200	4.200	4.200	4.200
Personal Property – Computer Equipment	4.200	4.200	4.200	4.200	4.200
Personal Property – Wireless Broadband Equip.	4.200	4.200	2.100	2.100	2.100
PSC Personal Property (Vehicles Only)	4.200	4.200	4.200	4.200	4.200
PSC Personal Property (Aircraft Only)	0.010	0.010	0.010	0.010	0.010
PSC Personal Property (Excluding Aircraft & Vehicles) – General	1.145	1.125	1.085	1.045	1.035 ¹
Personal Property – Special Fuels Vehicles	4.200	4.200	4.200	4.200	4.200
Personal Property – Eligible Vehicles of Fire and Rescue Services and Sheriff's Auxiliary	0.010	0.010	0.010	0.010	0.010
Personal Property – Vehicles of Active Virginia Defense Force	4.200	4.200	0.010	0.010	0.010
Personal Property – Eligible Vehicle of Permanently Qualifying Disabled Veteran	n/a	0.010	0.010	0.010	0.010
Personal Property – Vehicles of Eligible Elderly and Handicapped	2.100	2.100	2.100	2.100	2.100
Personal Property – Vehicles Specially Equipped for Handicapped Transport	2.100	2.100	0.010	0.010	0.010
Personal Property – Four-Wheeled Electrically-Powered Low Speed Vehicles	1.000	1.000	0.010	0.010	0.010
Personal Property – Vehicles Powered Solely by Electricity	4.200	4.200	4.200	4.200	4.200
Mobile Homes Used as Residences – General	1.145	1.125	1.085	1.045	1.035 ¹
Aircraft, Flight Simulators	0.010	0.010	0.010	0.010	0.010
Personal Property Used in a Research and Development Business	2.750	2.750	2.750	2.750	2.750
Machinery and Tools (VA Code § 58.1-3507)	2.750	2.750	2.750	2.750	2.750
Satellite Manufacturing Equipment ²	0.010	0.010	0.010	0.010	0.010
Heavy Construction Machinery	4.000	4.000	4.000	4.000	4.000

¹ Proposed real property tax rate.

² Legislation enabling this separate category for purposes of taxation expired July 1, 2019. The FY 2021 Proposed Budget assumes the General Assembly amends Virginia Code §58.1-3506(A)(21) to retroactively extend/remove the sunset provision.



Local Non-Property Taxes

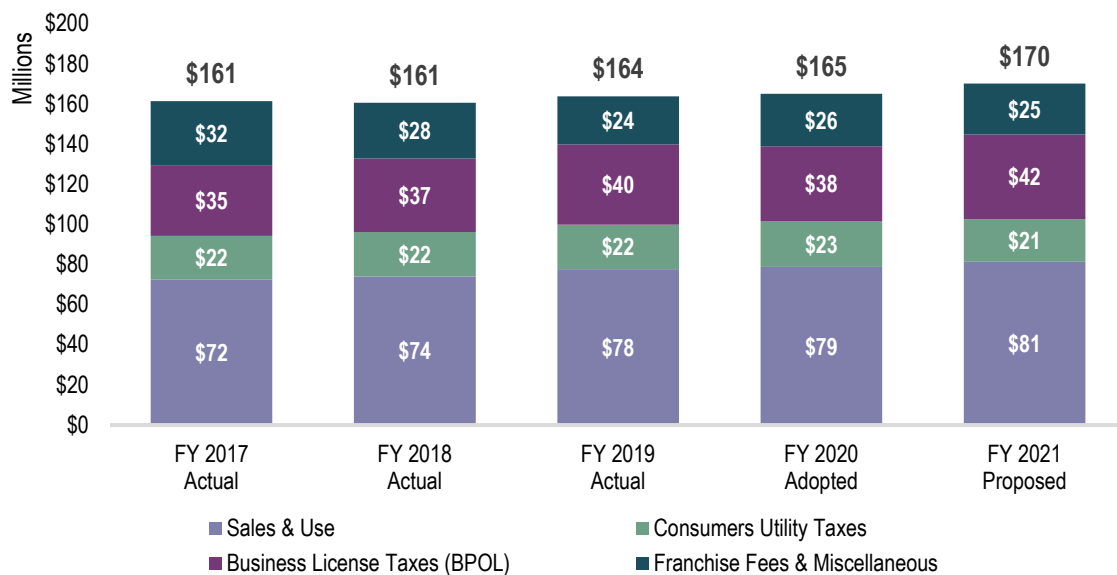
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Sales and Use Tax	\$72,469,150	\$74,095,287	\$77,782,399	\$78,850,000	\$81,311,500
Consumers Utility					
Electric – State	\$1,569,948	\$1,855,076	\$2,101,424	\$1,879,000	\$2,164,900
Natural Gas – State	218,336	263,133	261,772	250,000	269,700
Electric – Local	6,112,651	6,204,469	6,323,690	6,510,000	6,418,800
Natural Gas – Local	2,312,536	2,449,897	2,505,441	2,500,000	2,581,100
Communication Tax – State	10,977,461	10,634,284	9,865,473	10,450,000	8,809,800
PSAP E-911	616,421	687,787	1,115,317	1,048,000	1,115,300
Total – Utility Taxes	\$21,807,354	\$22,094,646	\$22,173,117	\$22,637,000	\$21,359,600
Business License (BPOL)					
Amusements	\$113,854	\$99,773	\$151,011	\$118,000	\$123,700
Business Svc Occupations	8,613,837	8,861,464	9,116,016	9,210,000	9,679,500
Business Svc Aircraft Lease	10,721	8,991	8,618	10,000	10,000
Business Svc Computer Info	605,266	600,452	670,270	600,000	650,000
Federal R&D	22,951	41,299	26,614	40,000	30,000
Personal Svc Occupations	1,702,163	1,786,669	1,908,196	1,890,000	2,064,100
Contractors & Contracting	7,875,757	9,935,272	10,444,056	9,860,000	11,203,800
Hotels and Motels	362,273	363,259	380,299	375,000	395,800
Professional & Specialized	3,002,078	2,832,624	3,300,373	3,180,000	3,455,300
Renting by Owner	1,519,193	1,732,360	1,879,353	1,770,000	2,032,200
Repair Service Occupation	482,966	459,044	718,662	502,000	502,000
Retail Merchant	7,587,958	7,503,199	8,323,367	8,040,000	8,665,900
Retail Merchant Cert STR	82,621	99,683	124,880	94,000	134,900
Wholesale Merchant	962,448	136,713	554,820	150,000	555,000
Money Lenders	445,010	431,975	452,212	425,000	493,800
Coin Operated Machines	350	1,000	200	150	0
Fortune Tellers and Related	0	0	500	100	0
Itinerant Merchants	15,500	15,000	13,500	14,000	12,500
Professional Bondsmen	50	0	0	0	0
Other Business	64,190	330,291	(30,875)	0	221,500
Satellite Imaging Services	64,952	71,898	1,865	70,000	70,000
Going out of Business Sales	0	0	130	0	0
Mixed Beverage Licenses	67,975	65,300	69,450	65,000	65,000
Public Svc. Corp. License Tax	816,443	733,125	854,446	700,000	816,000
Short-Term Rental (STR)	329,397	395,316	526,971	310,000	564,400
Penalties and Interest	462,728	255,585	400,971	100,000	417,500
Total – BPOL	\$35,210,681	\$36,760,291	\$39,895,906	\$37,523,250	\$42,162,900



Local Non-Property Taxes

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Franchise Fees & Miscellaneous					
Motor Vehicle License Fees	\$7,091,919	\$7,096,295	\$7,096,118	\$7,475,000	\$7,475,000
Bank Franchise Tax	8,916,977	6,113,457	4,012,088	3,100,000	3,100,000
Recordation Taxes	13,444,167	11,664,184	10,244,703	12,500,000	12,000,000
Taxes On Wills	51,372	51,287	45,165	50,000	50,000
Hotel and Motel Room Tax	2,488,530	2,711,998	2,652,172	3,000,000	2,783,740
Total – Franchise Fees & Misc.	\$31,992,966	\$27,637,222	\$24,050,246	\$26,125,000	\$25,408,740
Total – Local Non-Property Taxes					
	\$161,480,152	\$160,587,446	\$163,901,668	\$165,135,250	\$170,242,740

Note: The descriptions of local taxes that follow are general in nature and include main features only. Readers should refer to the statutory references provided or the County website for additional details.



Sales and Use Tax

- Legal Authority** – Article X of the Constitution of Virginia; Code of Va. § 58.1-605 et seq.; Loudoun County Ordinance adopted May 24, 1966 (uncodified).
- Description** – A general tax of one percent on the retail price of non-exempt goods and services purchased for use within Loudoun County to provide revenue for the general fund. This tax is also referred to as the one percent local option tax because state law gives counties and cities the option of levying this tax within their jurisdictions. The revenue reported in the above table represents only the County's share (currently around 91.4 percent) of the revenue collected in each fiscal year. The proceeds of the one percent sales and use tax are allocated between the Loudoun County government and the towns located within the county on the basis of school age population.



Local Non-Property Taxes

- **Administration** – The tax is collected by businesses at the time of sale (or lease) and remitted to the Tax Commissioner of the Commonwealth of Virginia by the 20th day of the month following its collection. The Tax Commissioner deposits the funds into an account administered by the State Comptroller who distributes the proceeds to each county or city. The distribution of tax proceeds collected for a given month generally occurs during the first few days of the second calendar month following the month of collection. The Commonwealth's Auditor of Public Accounts regularly audits the tax collection process. Any errors detected in past distributions are corrected via rebates or refunds in future distributions.
- **Tax Rate** – One percent of the sale price of any non-exempt retail good or service sold or used (i.e., consumed or stored) within the county.
- **Supplemental Information** – Sales and Use Tax revenue tends to grow over time at a rate commensurate with the percentage change in the number of households in the county plus the rate of consumer price inflation, which impacts the prices of the goods and service purchases to which the tax applies. A substantial change in local retail facilities will also impact this revenue. However, during economic recessions consumers tend to economize on purchases of goods and services which can cause this revenue to actually decline. Refunds and/or receipts resulting from audits of prior year collections significantly impacted reported revenue in a given year. In 2012, for example, the County received \$3.2 million in added revenue from an audit. In FY 2018, Loudoun was required to refund approximately \$1.84 million.

State Taxes on Retail Electricity and Natural Gas Consumption

- **Legal Authority** – Article X of the Constitution of Virginia; Code of Va. § 58.1-2900 – 2907; Loudoun County Ordinances not applicable.
- **Description** – Taxes levied by the Commonwealth on electricity and on natural gas consumed by retail utility customers in Loudoun County. Electricity consumption is measured in kilowatt-hours (kWh); natural gas consumption is measured in units of 100 cubic feet (CCF). The per-kWh tax rate and the per-CCF tax rate each consists of three components: a state component, a local component, and a special regulatory component. Loudoun only receives revenue from the local component.
- **Administration** – These taxes appear as separate charges on the monthly bills of retail electric and natural gas utility customers. The utilities (or their billing agent) collect the tax and remit the local portion of the tax proceeds to the Loudoun County Treasurer by the last day of the month following the month of collection.
- **Tax Rate** – The local portion of the total tax rate for electricity is \$0.00038/kWh for the first 2,500 kWh per month; \$0.00024/kWh for the next 47,500 kWh per month, and \$0.00018/kWh for all monthly usage in excess of 50,000 kWh. For the natural gas tax the local component is \$0.004 per CCF on the first 500 CCF consumed in a month.
- **Supplemental Information** – These taxes became effective on January 1, 2001 and replaced the state gross receipts tax and the local license tax on electric and gas utilities.

Local Taxes on Retail Electricity and Natural Gas Consumption

- **Legal Authority** – Article X of the Constitution of Virginia; Code of Va. § 58.1-3812 et seq.; Loudoun County Ordinances § 4-844.
- **Description** – Taxes levied by Loudoun County on electricity and on natural gas consumed by retail utility customers in Loudoun County outside of towns which impose their own levy on these services. Monthly electricity use is measured in kilowatt-hours (kWh); natural gas consumption is measured in units of 100 cubic feet (CCF). The tax rate varies according to the characteristics of the service.
- **Administration** – These local taxes on utility services appear on the monthly retail bills of consumers and are collected by the utility service providers (or their billing service) who remit the proceeds to the locality.



Local Non-Property Taxes

- **Tax Rate** – Tax rates for individually metered non-interruptible service are as follows:

User Category	Monthly Tax Rate
Natural Gas	
Residential	\$0.63 per month plus \$0.06485 per CCF delivered to a maximum of \$2.70
Commercial	\$0.676 per month plus \$0.0304 per CCF delivered to a maximum of \$72.00
Electricity	
Residential	\$0.63 per month plus \$0.006804 per kWh to a maximum of \$2.70
Commercial	\$0.92 per month plus \$0.005393 per kWh to a maximum of \$72.00

- **Supplemental Information** - The \$2.70 monthly limit for the residential tax corresponds to 304 kWh for electricity and 32 CCF for natural gas. These levels are sufficiently low that nearly all residential users should pay the maximum tax each month irrespective of weather conditions and the resulting space conditioning demand. The same is not necessarily true for the Commercial segment with maximum taxable levels of 13,180 kWh and 2,326 CCF. Some smaller commercial establishments may only reach these levels under extreme temperatures.

State Communications Tax

- **Legal Authority** – Article X of the Constitution of Virginia; Code of Va. § 58.1-648 et seq.; Loudoun County Ordinances not applicable.
- **Description** – The Communications Tax refers to a set of levies imposed by the Commonwealth on various communication services sourced to Virginia. The current set of levies dates to January 1, 2007 when a set of statewide communications taxes replaced a number of state and local communications taxes and fees. Communications taxes currently include a communications sales and use tax (5 percent of sales), an E-911 tax on landline telephone services (\$0.75 per access line), and a public rights-of-way use fee for cable television providers (\$0.75 per access line). The sales and use tax applies to a host of communications services, including: landline, wireless, and satellite phone services; teleconferencing services, voice-over-internet protocol; and 800 number services, to name a few.
- **Administration** – Communication service providers collect the taxes from their customers each month and remit the proceeds to the Virginia Department of Taxation. The Department of Taxation then distributes the revenues to localities. Loudoun receives a fixed percentage (2.78 percent) of Commonwealth collections for state-wide communications taxes less an administrative fee.
- **Tax Rate** – Refer to the above description.
- **Supplemental Information** – Communications Tax revenues have not increased over time for two main reasons: a growing number of cell phone subscribers have discontinued landline phone service and the growing popularity of pre-paid cell phones which are exempt from this tax. See the Virginia Department of Taxation's "Report of the 2015 Communications Sales and Use Tax Study". In FY 2018, the State required Loudoun County to refund \$257,000 in prior-year distributions that were received in error.

PSAP E-911 Tax

- **Legal Authority** – Article X of the Constitution of Virginia; Code of Va. § 58.1-484 et seq.; Loudoun County Ordinances are not applicable.
- **Description** – A surcharge imposed on each end user of wireless communications services. End users that are government agencies are exempt. The proceeds are used to support 911 emergency call centers.



Local Non-Property Taxes

- **Administration** – Communications service providers collect the tax each month from end users in Virginia and remit the proceeds to the Virginia Department of Taxation which then distributes 60 percent of the proceeds to localities to support their emergency call center or “public safety answering point” (PSAP).
- **Tax Rate** – The tax is \$0.75 per month on each wireless end user having service that is billed monthly and a one-time \$0.50 charge on wireless end users having pre-paid service.
- **Supplemental Information** – Loudoun currently receives 3.559 percent of the funds distributed to localities in Virginia from this tax. The State’s E-911 Services Board reviews the allocation formula every five years with recommended changes subject to legislative approval. The last review was in 2018.

Business & Professional License Tax (BPOL)

- **Legal Authority** – Article X of the Constitution of Virginia; Code of Va. § 58.1-3700 et seq.; Loudoun County Ordinances § 4-840.
- **Description** – The County levies this tax annually on the prior-year gross receipts of all businesses located within the County, including home-based businesses having annual gross receipts exceeding \$4,000. Owners of businesses located within the County (excluding home-based businesses with annual receipts not exceeding \$4,000) must register their business with the Commissioner of the Revenue within 30 days of commencing operations and must renew their registration every year. Each registered business is assigned to one of 23 classifications, each with its own rate of tax. The county may not impose this tax on a business located within a town that imposes its own version of this tax unless the town authorizes the county to do so.
- **Administration** – The tax is collected by the Commissioner of the Revenue. Business owners are required to file their annual tax return and make payment by March 1 of each year.
- **Tax Rate** – The gross receipts tax for the first year of operation is \$30 (except for contractors headquartered outside the County who are taxed on their estimated first-year gross receipts on business within the County). Businesses in operation for more than one year and having gross receipts not exceeding \$200,000 also pay \$30 in tax. Most other registered businesses pay tax on a rate per \$100 of gross receipts according to their business classification. The following table shows the rates for each classification. Several classes are subject to flat rates independent of their gross receipts.

Business Class	Tax Rate	Business Class	Tax Rate
Amusements	\$0.21/\$100	Retail Merchant/Cert Short-term Rental	\$0.20/\$100
Business Service Occupations	0.17/100	Wholesale Merchant	0.05/100
Business Services/Aircraft Lease	0.05/100	Money Lenders	0.16/100
Business Services /Computer Info	0.15/100	Coin Operated Machines, 10 or fewer	150/year
Federal R&D	0.03/100	Coin Operated Machines, 10 or more	200/year
Personal Service Occupations	0.23/100	Fortune Tellers	500/year
Contractors & Contracting	0.13/100	Itinerant Merchants	500/year
Hotels and Motels	0.23/100	Satellite Imaging Services	0.15/100
Professional & Specialized	0.33/100	Going Out of Business Sale Permits	65
Renting by Owner	0.16/100	Mixed Beverage Licenses	200-500
Repair Service Occupation	0.16/100	Public Svc Corporations. License	0.50/100
Retail Merchant	0.17/100	Short-term Rental	0.20/100

- **Supplemental Information** – Business registration fees are included as BPOL revenue within each business class and are not reported as a separate revenue item.



Local Non-Property Taxes

Vehicle License Fee

- **Legal Authority** – Article X of the Constitution of Virginia; Code of Va. § 46.2-752 et seq.; Loudoun County Ordinances § 4-852.
- **Description** – Owners of all motor vehicles regularly housed or stored in the County and slated for regular operation on County highways must pay an annual vehicle license fee to the County. Prior to July 1, 2018 vehicle owners were required display a window decal on the vehicle to signify payment of the license fee and of vehicle personal property tax. The Board of Supervisors eliminated the decal requirement effective July 1, 2018, but the license fee remains in effect. Owners of vehicles housed in an incorporated town obtain their decal from the town, if required. Motor vehicles comprising the inventory of car dealers and vehicles owned by common carriers are exempt.
- **Administration** – Owners must register their vehicle(s) with the Commissioner of the Revenue.
- **Tax Rate** – Effective November 15, 2003, the annual fee for an automobile is \$25 and for a motorcycle is \$16. The fee for military personnel residing in the County is \$1 per vehicle. On April 10, 2019, the Board approved a \$100 annual license tax on vehicles garaged in the County but failing to display current Virginia license plates and not otherwise exempt from registering the vehicle in Virginia.
- **Supplemental Information** – Limited exceptions exist for active volunteer members of fire departments and rescue squads and certain other public safety personnel.

Bank Franchise Tax

- **Legal Authority** – Article X of the Constitution of Virginia; Code of Va. § 58.1-1200 et seq.; Loudoun County Ordinances § 4-876.
- **Description** – The County imposes an annual tax on the value of each bank's operations within the county but outside of incorporated towns. Federal and State banking regulations require banks to report their assets, liabilities and equity values at the end of each calendar year. The dollar value of each bank's "net capital" is calculated from this information. "Net capital" is the value of the bank's operations. Banks that operate in multiple states and/or local jurisdictions must allocate their net capital to individual jurisdictions, including Loudoun County, in order to determine the amount of the franchise tax owed.
- **Administration** – Banks must file their annual tax return with the Commissioner of the Revenue by March 1 of each year and pay the tax due by June 1.
- **Tax Rate** – The tax rate is 80 percent of the bank franchise tax rate imposed by the Commonwealth which is currently \$1 for every \$100 of franchise value.
- **Supplemental Information** – The value of bank net capital subject to Loudoun's franchise tax depends on a variety of factors, including bank location decisions, the financial health of banks, and the method of allocating net capital among jurisdictions in which a bank operates. As these factors change over time, the amount of tax collected by the County will change. In Virginia, the net capital of banks operating in multiple jurisdictions was allocated according to the volume of a bank's deposits originating in each locality. However, a bank that only made loans in Virginia but did not take deposits challenged the practice of equating "bank operations" with "taking deposits" in court and prevailed. By paying this franchise tax, a bank is exempt from paying certain other taxes under Virginia law.

Recordation Tax

- **Legal Authority** – Article X of the Constitution of Virginia; Code of Va. §§ 58.1-814, 58.1-3800 et seq.; Loudoun County Ordinances § 4-842.



Local Non-Property Taxes

- **Description** – This tax is levied on the dollar value of all estates, deeds of trust, mortgages, leases, contracts and agreements that are recorded by the Loudoun County Clerk of the Circuit Court.
- **Administration** – The tax is collected by the Clerk of the Circuit Court, who remits the County's portion of the funds to the County Treasurer.
- **Tax Rate** – Since September 2004, Loudoun's tax rate has been \$0.083 per \$100 of recorded value. As required by State Code, Loudoun's rate is one-third of the State's recordation rate of \$0.25 per \$100 of value.
- **Supplemental Information** – State law provides some exceptions to this tax (e.g., the recording of a deed to which a husband and wife are the only parties).

Taxes on Wills

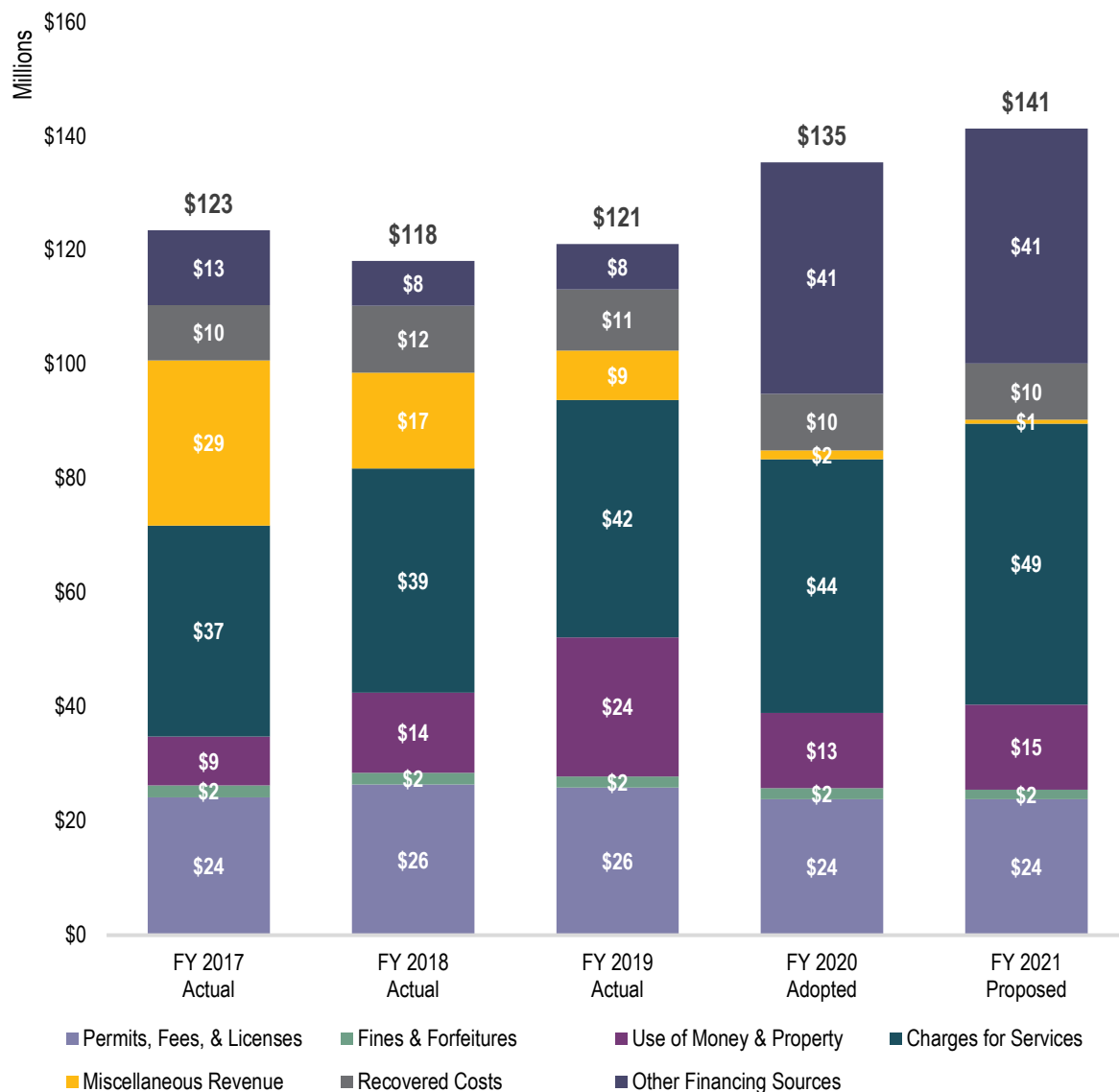
- **Legal Authority** – Article X of the Constitution of Virginia; Code of Va. § 58.1-3805 et seq.; Loudoun County Ordinances § 4-843.
- **Description** – This tax is imposed on the value of a will probated by the Circuit Court and on grants of administration by the Circuit Court involving estates having no will in effect.
- **Administration** – The tax is collected by the Clerk of the Circuit Court, who remits the County's portion of the funds to the County Treasurer.
- **Tax Rate** – Loudoun's tax rate has been \$0.033 per \$100 of recorded value. As required by State Code, Loudoun's rate is one-third of the State's recordation rate of \$0.10 per \$100 of value.
- **Supplemental Information** – This tax does not apply to estates of \$15,000 or less in value.

Transient Occupancy Tax

- **Legal Authority** – Article X of the Constitution of Virginia; Code of Va. § 58.1-3819 et seq.; Loudoun County Ordinances § 4-878.
- **Description** – This tax is imposed on the rental of lodging or sleeping accommodation for fewer than thirty consecutive days by hotels, motels, boarding houses, campgrounds, and other such facilities provided the facility is able to house four or more persons simultaneously. The County is not authorized to levy this tax within incorporated towns which impose their own transient occupancy tax unless the town allows it to do so.
- **Administration** – Businesses subject to this tax file a return with the Commissioner of the Revenue in the month following the end of each calendar quarter with the tax proceeds remitted to the County Treasurer.
- **Tax Rate** – The tax rate is 5 percent of the proceeds from lodging room rental. Two-fifths of the revenue accrues to the General Fund, while the remaining three-fifths is directed to the Restricted Use Transient Occupancy Tax Fund which must be used to promote travel and tourism to the County. Beginning in July 2013, an additional 2 percent regional transient occupancy tax is levied on all hospitality facilities within the County. Through FY 2018 the proceeds of this regional tax were directed to the Northern Virginia Transportation Authority to fund regional and local transportation improvements. Beginning in FY 2019, the regional TOT revenue is remitted to the Northern Virginia Transportation Commission to be used for capital expenditures for the Washington Metropolitan Area Transit Authority (WMATA).
- **Supplemental Information** – This tax does not apply to the use of meeting or conference rooms (§ 58.1-3826). Nor does Loudoun County apply the tax to facilities capable of accommodating fewer than four persons. In 2018, the Board of Supervisors adopted a new chapter to the Codified Ordinances entitled Short-term Residential Rental Registration Ordinance to cover homeowners or long-term leaseholders, etc. who host short-term rentals out of their homes, which is often done through internet-based platforms such as Airbnb. These individuals will be required to register annually with the County and to collect and remit TOT taxes from their rental operations.



Other Local Sources of Revenue



Charges for Services for FY 2021 includes increases of approximately \$600,000 for commuter bus fares, \$1.0 million for landfill operations (restricted for use at the landfill), and \$2.3 million for services through the Department of Parks, Recreation, and Community Services (PRCS). The increased revenue for PRCS maintains the Board's cost-recovery guidelines for programs receiving additional resources in the proposed budget. **Miscellaneous Revenue** in FY 2017 included a \$28.4 million return of excess fund balance by Loudoun County Public Schools (LCPS) from its Self-Insurance Fund. Likewise, nearly all of the Miscellaneous Revenue in FY 2018 and FY 2019 represents return of funds to the County by LCPS.

The increase in **Other Financing Sources** reflected in the FY 2020 Adopted and FY 2021 Proposed Budget is the result of the use of prior-year fund balance in the amount of \$39.6 million and \$40 million, respectively. Additionally, prior years included a transfer from the Capital Projects Fund to fund staff associated with the Capital Improvement Program (CIP). Beginning in FY 2020, those staff are directly funded in the CIP.

**Other Local Sources of Revenue**

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Permits, Fees, & Licenses					
Animal Services					
Dog Licenses	\$464,095	\$469,235	\$487,065	\$430,000	\$430,000
Pet Shop and Dealer Fees	350	250	550	250	250
Vicious & Dangerous Dog Lic.	4,295	4,460	4,470	2,500	2,500
Subtotal – Animal Services	\$468,740	\$473,945	\$492,085	\$432,750	\$432,750
Sheriff					
False Alarm Fee	\$216,831	\$259,808	\$297,098	\$225,000	\$225,000
Massage Parlor Permits	16,800	15	0	0	0
Pawn Broker License Fees	1,800	2,000	2,000	1,200	1,200
Solicitor Permits	3,695	3,165	3,045	4,000	4,000
Weapons Permits	81,099	81,584	70,614	70,000	70,000
E-Citation Service Fee	0	39,871	116,438	0	0
LEOSA ¹ Fees	0	80	100	0	0
Subtotal – Sheriff	\$320,225	\$386,522	\$489,294	\$300,200	\$300,200
Health					
BOCA Clearance Fees	\$12,875	\$11,075	\$10,525	\$11,000	\$10,000
Health and Sites Evaluation	2,238	4,912	6,207	2,000	4,000
Perc Test Monitor Fees	0	0	0	1,000	1,000
Replacement Well Fees	1,600	1,202	600	500	500
Sanitation and Water Permits/Fees	38,430	50,692	53,790	40,000	40,000
Sanitation Licenses	10,082	8,946	8,520	14,200	14,200
Septic Tank Permits	42,350	40,850	42,050	44,000	40,000
Swimming Pool and Permits	57,200	63,030	63,580	49,799	55,000
Tech Sewage Plan Review	10,200	9,150	13,800	5,250	8,000
Water Supply Licenses	3,302	3,697	4,090	4,000	4,000
Well and Septic Re-inspection	725	525	475	1,500	400
Subtotal – Health	\$179,002	\$194,079	\$203,637	\$173,249	\$177,100
Building					
Appeals	\$2,450	\$1,050	\$2,800	\$1,676	\$1,640
As-Built Submission Fees	33,300	33,300	28,500	33,000	33,000
Boundary Line Adjustments	89,700	94,950	103,775	94,222	94,022
Bond Final Release Fees	207,196	232,254	184,156	200,000	218,000
Bond Reduction Processing Fees	57,575	52,865	34,460	64,893	65,000
Building Permits	13,409,799	15,844,922	14,474,666	13,500,000	13,810,000

¹ LEOSA: Law Enforcement Officers Safety Act



Other Local Sources of Revenue

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Cert of Approp. Amend.	0	0	0	186	0
Cert of Approp. Admin.	420	480	900	0	0
CAPP-Cert of Appropriateness-HDRC ¹	540	780	720	703	0
Commission Permits	27,960	0	13,980	19,161	19,080
Construction Plans & Profiles	312,611	272,245	313,055	251,893	272,200
Electrical Permits	698,225	739,650	791,055	700,000	720,000
Erosion & Sediment Control Permits	1,135,029	1,048,789	878,452	1,003,000	1,002,000
Easement	40,940	90,165	66,530	48,438	48,250
Final Development Plan Fee	45,007	0	24,020	9,684	9,990
Fire Permits	476,780	492,578	545,973	500,000	490,000
Floodplain Alterations	22,100	23,200	40,050	19,436	21,600
Floodplain Study Fees	8,650	26,425	47,800	6,348	15,700
Base Density Division	14,115	1,094	5,470	6,460	3,875
Mechanical Fees	374,365	384,825	380,410	370,000	360,000
Occupancy Permits	289,160	313,810	317,640	299,850	299,650
Overlot Grading Fees	684,170	646,350	591,480	666,588	490,000
Performance Bond Ext. Fees	161,100	145,500	164,100	160,000	160,000
Plumbing Permits	695,380	693,639	728,095	686,000	660,000
Plat of Correction	9,450	5,670	7,875	9,461	8,300
Rural Site Plan Fees	2,300	9,200	4,600	2,706	2,722
Road Dedication Plats	45,081	53,945	39,275	50,053	50,150
Preliminary Subdivisions	89,100	64,415	162,476	50,317	105,650
Preliminary Record Subdivisions	157,335	112,480	256,040	207,914	127,170
Record Subdivisions	212,420	191,824	122,380	158,916	116,504
Subdivision Waiver	44,760	52,865	42,345	56,950	40,470
Special Exception – Sign Dev Plan	20,480	21,504	15,360	20,000	20,000
Sign Permits	104,130	101,360	118,635	105,000	100,000
Soils Map Reviews and Map Fees	9,065	7,125	11,538	5,000	10,000
Site Plan Amendments	291,468	374,550	322,113	357,549	330,685
Special Exception Error – Bldg Loc	460	920	0	0	0
Special Exceptions	185,895	140,434	139,140	179,854	180,354
Minor Special Exception	11,485	27,635	26,010	35,773	24,978
Final Site Plans	587,060	585,657	802,235	506,634	525,200
Zoning Variances	1,610	805	805	805	810

¹ HDRC: Historic District Review Committee



Other Local Sources of Revenue

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
FMS Waiver Fees	36,890	53,550	49,980	51,430	51,430
Zoning Correspondence	64,455	61,955	65,435	64,675	64,000
Zoning Concept Plan Amend.	164,594	150,030	247,081	185,279	189,965
Rezoning	431,590	171,700	574,605	342,541	400,470
Rezoning Ordinance Modification	30,340	60,680	40,570	32,210	32,954
Zoning Permits	1,320,845	1,369,715	1,345,132	1,300,000	1,300,000
Rezone – Rt. 28 Tax District	29,631	16,660	11,900	0	9,580
VSMP ¹ Application Fee	266,369	242,741	175,075	250,000	205,000
VSMP Modification Transfer	119,950	156,035	164,588	125,000	125,000
VSMP Renewal – Annual	11,860	11,470	19,552	12,000	12,000
VSMP Renewal – 5 Year	1,500	440	0	0	0
FMS Waiver Fees – PZ	5,950	9,520	4,760	0	0
Subtotal – Building	\$23,042,645	\$25,193,755	\$24,507,592	\$22,751,605	\$22,827,399
Other					
Agricultural and Forestal District Withdraw Fee	\$1,000	\$1,000	\$500	\$0	\$0
Alcohol Permit Fee	0	100	\$100	0	0
Land Use Tax Application Fee	106,327	113,239	\$109,743	\$100,000	\$100,000
Refuse Vehicle Hauling Licenses	17,170	26,700	\$24,440	\$12,180	\$12,180
Residential Parking Permits – Decals	0	0	\$1,565	0	0
Residential Parking Permits – Fees	0	0	45	0	0
Solid Waste Facility Permits	9,110	11,590	\$9,432	\$14,500	\$14,500
Transfer Fees	14,284	12,389	\$12,060	\$10,000	\$10,000
Subtotal – Other	\$147,891	\$165,018	\$157,885	\$136,680	\$136,680
Total – Permits, Fees, & Licenses	\$24,158,503	\$26,413,319	\$25,850,493	\$23,794,484	\$23,874,129

Permits, Fees, and Licenses

- **Description** – The County charges fees for permits and licenses required to administer a variety of activities within the County related to building construction, public health, and public safety. The permit fees are listed in the table above and are organized into five groups according to their purpose and/or permitting source. Of the five groups, Building fees represent the greatest amount of revenue, with Building Permits being the largest single source of annual permit revenue.
- **Administration** – Fees for licenses and permits are approved by the Board of Supervisors and are collected by the County departments having issuing authority for a particular activity.

¹ VSMP: Virginia Stormwater Management Program



Other Local Sources of Revenue

- **Supplemental Information** – Forecasts of future permit and privilege fee revenue are prepared by the departments that are responsible for issuing the permit(s) based upon their expertise and knowledge of the activities for which they are responsible. Building Permit revenue projections are reviewed by the County’s Revenue Committee.

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Fines & Forfeitures					
Animal Law Violation Fees	\$4,363	\$4,657	\$6,388	\$6,000	\$6,000
Court Fines and Forfeitures	1,187,279	1,243,868	1,141,822	1,240,000	1,240,000
Delinquent Charges/Late Fees	15,428	12,929	11,977	15,000	15,000
Environmental Health Violation Fines	4,550	8,687	19,666	50	50
Fire Lane Violation Fines	268,958	245,305	207,105	221,650	221,650
Overdue Book Fines ¹	281,522	286,230	254,755	315,000	0
Parking and Traffic Fines – Dulles Airport	164,151	184,033	218,056	140,000	140,000
Parking Fines	127,716	56,558	5,903	0	0
Zoning Violation Fines	14,611	17,499	64,124	45,001	30,000
Total – Fines & Forfeitures	\$2,068,578	\$2,059,764	\$1,929,794	\$1,982,701	\$1,652,700

Fines and Forfeitures

- **Description** – State law authorizes the County to impose various monetary fines for violating County ordinances and regulations. (The imposition of a fine is subject to judicial review if the party charged with a violation opts to appeal it.) Some violations of local law enable the County to take ownership of assets involved in the violation, and the proceeds from the sale of these “forfeited” assets is a source of revenue.
- **Administration** – Fines and forfeitures are imposed by the County department that is responsible for enforcing a particular area of law and/or regulation.
- **Supplemental Information** – Forecasts of future fine and forfeiture revenue are prepared by the department that is responsible for enforcing County laws and regulations.

¹ In May 2019, the Board of Supervisors approved the elimination of fines for overdue library materials effective July 1, 2019.

**Other Local Sources of Revenue**

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Use of Money & Property					
Interest on Investment	\$5,592,088	\$11,498,950	\$20,920,524	\$9,000,000	\$12,000,000
Interest on Loans	43,012	40,043	27,236	2,546	0
Gain on Sale of Investments – Realized	(9,339)	173,184	837	0	0
Gain on Sale of Investments – Unrealized	23,064	(354,937)	543,263	0	0
Interest on Investment Contra Account	(62,412)	(39,563)	(17,368)	0	0
General Property Rental	1,347,732	1,160,194	1,124,006	1,754,167	437,977
Recreational Property Rental	1,347,760	1,153,451	1,468,841	2,142,732	2,168,967
Concessions and Commissions	9,472	6,011	30,433	14,030	23,703
Sale of Artwork	1,733	500	4,539	0	4,000
Sale of Concessions	66,567	54,062	65,367	99,984	88,189
Sale of Materials & Supplies	49,610	54,077	60,441	54,708	54,708
Sale of Salvage & Surplus	160,697	272,130	186,335	108,000	150,000
Total – Use of Money & Property	\$8,569,985	\$14,018,102	\$24,414,455	\$13,176,167	\$14,927,544

Use of Money and Property

- **Description** – The County realizes revenue from the investment of General Fund balances during the fiscal year. The rental of County facilities for public use and the sale of concessions at various events also generate revenue for the County.
- **Administration** – Individual departments administer the realization of money from the use of County money and property. Historic and projected revenue from this source is reported in the budget pages on the various departments involved. The Department of Parks, Recreation, and Community Services and the Office of the Treasurer are the two largest sources of this revenue.
- **Supplemental Information** – Forecasts of future revenue from the use of money and property are prepared by the responsible department in County government. The forecast of revenue from Interest on Investments is regularly reviewed by the Revenue Committee of County government.



Other Local Sources of Revenue

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Charges for Services					
Clerk of the Circuit Court					
Clerk of Court Copy Fees	\$40,218	\$27,827	\$33,214	\$45,000	\$45,000
Excess Fees of Clerks	1,006,790	905,861	768,661	950,000	950,000
Subtotal – Clerk of the Circuit Court	\$1,047,008	\$933,688	\$801,875	\$995,000	\$995,000
Sheriff					
Accident Report Charges	\$30,890	\$31,910	\$34,750	\$27,000	\$27,000
ATF Form	200	0	0	2,000	2,000
Courthouse Security Fees	399,975	406,139	424,218	500,000	500,000
DNA Analysis Fees	2,486	2,385	5,079	2,200	2,200
Fingerprinting	7,940	6,954	4,852	9,900	9,900
Good Conduct Letters	453	450	280	550	550
House Arrest Fees	9,075	7,275	2,145	9,000	9,000
Incident Reports	1,560	2,160	1,970	2,000	2,000
Loss of Summons Copy	15	20	25	30	30
Record Checks	4,665	4,276	4,405	6,400	6,400
Adult Detention Center Fees	20,354	19,053	20,166	23,000	23,000
Civil Process Fees	7,907	7,907	7,907	7,907	7,907
Supervision Fees	65,645	63,253	59,425	65,000	65,000
Subtotal – Sheriff	\$551,166	\$551,781	\$565,222	\$654,987	\$654,987
Other Protection					
Animal Adoption Fees	\$98,137	\$114,906	\$115,418	\$75,000	\$75,000
Animal Protection Charges	9,545	10,550	14,887	15,200	15,200
Board of Animals	5,868	4,668	5,870	8,000	8,000
ORE Disposal Fees	1,079	1,620	1,175	750	750
Subtotal – Other Protection	\$114,628	\$131,744	\$137,350	\$98,950	\$98,950
Landfill					
Contract MSW ¹	\$10	\$0	\$0	\$0	\$0
Construction	544	485	0	0	0
Construction 2	0	438	0	0	0
MSW	7,124,006	7,535,146	8,554,772	7,537,683	8,605,658
Sale/Recycle – Scrap Metal	113,750	245,853	202,727	100,000	100,000
Sale/Recycle – Oil/Battery/ Antifreeze	5,074	2,979	3,133	5,000	5,000
Subtotal - Landfill	\$7,243,384	\$7,784,901	\$8,760,632	\$7,642,683	\$8,710,658

¹ MSW: Municipal Solid Waste

**Other Local Sources of Revenue**

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Library					
Inter-Library Loan Fees	\$1,770	\$2,636	\$2,676	\$4,674	\$4,674
Damaged & Lost Book Fees	33,872	41,071	39,171	35,049	35,049
Passport Processing Fees ¹	0	0	126,900	221,995	174,085
Passport Application Photo ¹	0	0	23,790	37,257	31,155
Subtotal – Library	\$35,642	\$43,707	\$192,537	\$298,975	\$244,963
Mental Health, Substance Abuse, and Developmental Services (MHSADS)					
Aftercare Service Fees	\$4,689	\$2,846	\$1,832	\$5,000	\$4,000
Court Evaluation Charges	76,229	73,316	93,999	76,000	100,000
Day Treatment Clinic Fees	7,738	7,187	6,448	8,500	5,000
JobLink Fees	0	0	0	500	0
Labs and Meds	5,485	1,599	956	5,000	0
Outpatient Clinic Fees	131,545	95,000	78,872	135,000	78,000
Parent-Infant Development	118,771	112,051	115,373	110,000	110,000
Residential Services	331,968	299,277	289,673	338,000	300,000
Substance Abuse Counselor	81,616	78,580	48,644	110,000	50,000
Subtotal – MHSADS	\$758,042	\$669,856	\$635,797	\$788,000	\$647,000
Parks, Recreation, and Community Services (PRCS)					
Admission Charges	\$826,221	\$2,483,629	\$1,818,747	\$3,868,660	\$3,475,282
After School Activities	6,373,084	6,829,815	7,025,615	8,414,844	9,107,493
Cafeteria Sales	2,162	1,721	20,461	22,544	22,544
Community Center Fees	1,706,959	1,487,693	1,954,376	1,915,229	2,854,074
Daycare Fees	882,967	1,007,105	1,016,659	1,454,697	1,424,697
Group Events	797,531	610,016	943,336	554,062	567,189
League Sports	176,773	247,730	170,686	300,556	315,556
Preschool Fees	2,132,324	2,181,935	2,332,329	2,850,838	3,228,201
Recreation Fees	858,360	830,319	827,216	322,745	623,375
Respite Care Fees	390,981	385,125	413,050	326,636	326,636
Summer Camp	1,710,371	1,937,144	2,229,789	2,525,264	2,982,479
Swimming Pool	381,704	314,882	355,789	278,422	278,658
Tournaments	22,298	60,695	56,834	55,019	57,535
Transportation Fees – Group Events	57,620	50,130	41,989	113,013	75,174
Youth Sports User Fees	606,252	618,255	575,449	955,310	934,486
Subtotal – PRCS	\$16,925,605	\$19,046,192	\$19,782,323	\$23,957,839	\$26,273,379

¹ Passport services were first offered by Library Services in FY 2019.



Other Local Sources of Revenue

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Other					
Administration Fees	\$9,837	\$7,535	\$11,027	\$0	\$2,500
Case Management Fees	110,246	63,432	53,540	15,500	65,000
Collection Fees – Bad Checks	13,368	12,514	14,856	12,500	13,000
Collection Fees – Delinquent Taxes	542,779	484,024	567,546	300,000	400,000
Commonwealth's Attorney Fees	10,678	9,626	9,739	10,000	10,000
Commuter Bus Advertising	93,856	121,968	105,829	100,000	735,700
Commuter Bus Fares	9,098,510	9,008,850	9,406,245	9,044,000	9,640,057
Court Fines	229,890	204,665	239,128	250,000	200,000
DMV Select Services Fees	1,326	0	0	0	0
Electric Vehicle Charging Service Fees	246	21	43	5,100	5,000
Emergency Service Fees	52,909	66,971	76,876	10,000	99,800
Freedom of Information Fees	16,407	29,459	36,606	6,600	9,100
Hydrogeologic Fees	1,742	1,742	5,226	850	850
Well and Septic Evaluation	3,520	3,850	3,300	5,300	5,300
Credit Card Fees	60,807	78,239	57,092	85,500	85,500
Cartographic Map Sales	2,311	2,403	3,754	1,500	1,500
Digital Data Sales	5,527	3,675	3,470	7,500	7,500
Maps, Plats, Survey Sales	27	420	0	0	0
Publication Sales	37,115	24,745	12,125	19,000	4,000
Other Charges for Services	2,460	616	4,377	99,484	99,484
Collection Fees – Towns ¹	0	0	89,669	0	204,200
Subtotal – Other	\$10,293,562	\$10,124,754	\$10,700,447	\$9,972,834	\$11,588,491
Total – Charges for Services	\$36,969,037	\$39,286,622	\$41,576,182	\$44,409,268	\$49,213,428

Charges for Services

- **Description** – A number of County agencies provide services to residents and others for which the user pays a fee to defray the cost. The magnitude and structure of these charges depends on the nature of the service. The table above is organized in eight segments largely according to department.
- **Administration** – Individual departments administer the charges for the services that they provide. Historic and projected revenue from this source is reported in the budget pages of the responsible department. The Department of Parks, Recreation, and Community Service and the Office of the Treasurer are the largest source of this revenue.
- **Supplemental Information** – Forecasts of future revenue from charges for services are prepared by the responsible department in County government.

¹ In the FY 2020 Adopted Budget, Collection Fees – Towns was budgeted under recovered costs for the same amount reflected in the FY 2021 Proposed column.

**Other Local Sources of Revenue**

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Miscellaneous Revenue					
Private Donations	\$162,436	\$106,498	\$172,075	\$38,600	\$40,500
Donations from Other Organizations	30,129	871	0	0	0
Sale of Machinery & Equipment	47,716	167,149	183,040	0	9,000
Sale of Vehicles	0	172,052	79,100	0	0
Rebate – Solar Energy Credits	6,073	4,800	4,054	6,000	6,000
Other Rebate	89,402	242,658	252,643	120,000	120,000
Insurance Recovery	88,816	0	0	0	0
Overpayment to be Refunded	2,520	4,847	104	0	0
Payments for Damaged Property	3,725	200	4	0	0
Primary Fees	1,058	0	12,475	0	0
Repayment of Loans – Principal Only	0	13,990	0	0	0
Other Misc. Revenue	76,814	125,153	122,081	34,071	21,400
Payment from LCPS	28,417,114	15,674,101	6,881,758	0	0
I-66 Toll Revenue	0	274,051	933,407	1,382,077	510,000
Total – Misc. Revenue	\$28,925,802	\$16,786,369	\$8,640,741	\$1,580,748	\$706,900

Miscellaneous Revenue

- **Description** – Miscellaneous Revenue includes any source of funds that does not fit into any of the other revenue categories. Revenues in this category include such items as monetary gifts from private donors (typically made to County libraries, community centers, or recreation programs).
- **Administration** – These revenues are administered by individual departments.
- **Supplemental Information** – In the current accounting system which commenced with FY 2014 (Oracle), Miscellaneous Revenue includes proceeds from the sale of county assets. Before FY 2014, these revenues were included in Other Financing.



Other Local Sources of Revenue

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Recovered Costs					
Extradition of Prisoners	\$22,482	\$41,650	\$49,543	\$85,000	\$85,000
Housing of Prisoners (Federal)	1,430	550	990	1,000	1,000
Housing of Prisoners (State)	970,920	770,948	856,607	950,000	950,000
Medical Co-Payments	9,062	11,936	12,106	37,000	9,000
Prisoner Per-Diem (State)	105,568	125,838	117,369	115,000	115,000
Work Release Room & Board	69,182	56,547	63,257	78,000	78,000
DOC Inmate Medical Care Reimbursements	66,454	4,573	(1,691)	5,000	5,000
Inmate Medical Transport Fee	0	0	500	0	0
CSA – Mental Health Svc	48,461	64,431	26,374	69,000	30,000
Medicaid Reimbursements	4,528,579	4,691,400	3,308,482	4,549,479	3,813,800
Charges to Other Insurance	587,434	570,284	393,664	551,500	375,000
Friendship House Food Unit	375	915	1,135	14,000	0
Juvenile Detention Center – Contract	120,645	120,846	60,225	120,450	84,315
Juvenile Detention Center – Food	50,776	31,548	9,504	25,644	10,644
Loudoun Hospital	(5,141)	496	837	13,000	0
MHSADS Services	50,070	23,429	16,846	43,000	22,500
Duplicating	0	(26)	0	0	0
SWCD ¹ Personnel	453,054	476,541	504,161	529,062	568,778
PRCS Facility Supervisors	201,833	196,527	218,384	184,575	204,700
Protective Services	1,287,924	813,278	967,092	750,000	750,000
Misc. Recovered Costs	1,092,607	3,684,703	4,053,902	1,771,474	2,704,084
Task Force Reimbursement	12,509	22,251	24,966	0	0
Total – Recovered Costs	\$9,674,223	\$11,708,666	\$10,684,252	\$9,892,184	\$9,806,821

Recovered Costs

- **Description** – A number of County departments perform services on behalf of the Federal Government, the Commonwealth, and other entities. The housing of Federal and State prisoners in Loudoun's jail is an example of such services. Incorporated towns within Loudoun reimburse the County for providing services related to municipal elections, criminal prosecutions, extraditions, etc.
- **Administration** – These revenues are administered by individual departments. Historic and projected revenue from this source is reported in the budget pages of the responsible departments.
- **Supplemental Information** – The largest source of Recovered Cost revenue is money paid to the County by insurance companies and the Federal Government for medical services provided by the County, principally Medicaid. All of the individual Medicaid reimbursements categories are grouped here into a single total called Medicaid Reimbursements.

¹ SWCDB: Soil and Water Conservation District

**Other Local Sources of Revenue**

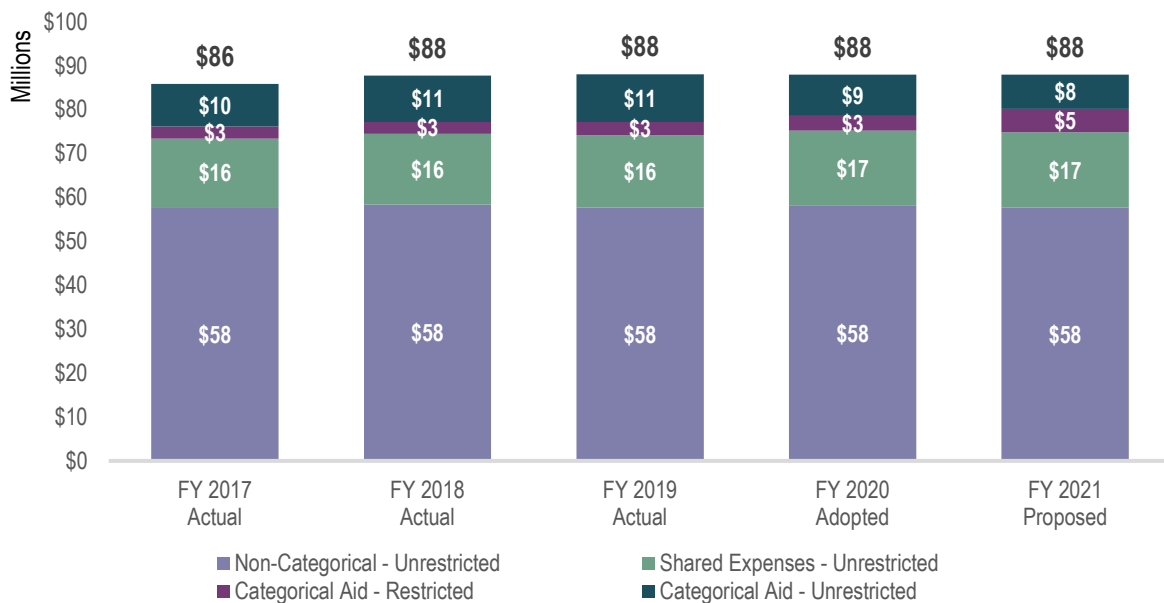
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Other Financing Sources-					
Transfer from the CSA Fund	\$183,000	\$183,000	\$0	\$0	\$0
Transfer from the TOT Fund	398,223	404,045	415,817	412,119	429,869
Transfer from the Animal Trust Fund	39,119	29,871	19,611	0	0
Transfer from the TDF	6,316,957	0	0	0	0
Transfer from EMS Transport Fund	200,000	903,289	768,355	419,045	540,462
Transfer from the Capital Projects Fund	5,867,576	6,206,181	6,645,632	0	0
Transfer from the Debt Service Fund	125,110	130,421	137,151	143,323	150,718
Total – Other Financing Sources	\$13,129,985	\$7,856,807	\$7,986,566	\$40,567,714	\$41,121,048

Other Financing Sources

- **Description** – Other Financing Sources is revenue arising from the issuance of bonds, capital leasing agreements, as well as transfers of money between the General Fund and various other funds. The Adopted FY 2020 budget transfers \$0.97 million from other funds into the General Fund during the fiscal year. It also authorizes the use of \$39.6 million of unused money (fund balance) from prior years.
- **Administration** – Fund transfers are approved by the Board of Supervisors when adopting the final budget.
- **Supplemental Information** – The CSA Fund refers to the Children’s Services Act Fund; the TOT Fund is the Restricted Use Transient Occupancy Tax Fund; the TDF is the Transportation District Fund; and EMS refers to the Emergency Medical Services (EMS) Transport Fund.



Commonwealth Aid



	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Commonwealth Aid					
Non-Categorical Aid – Unrestricted	\$57,861,493	\$58,382,879	\$57,717,002	\$58,121,693	\$58,034,693
Shared Expenses – Unrestricted	15,578,644	16,153,368	16,485,903	17,160,105	17,160,105
Categorical Aid – Unrestricted	2,737,965	2,711,430	3,020,784	3,319,460	5,361,343
Categorical Aid – Restricted	9,688,241	10,523,714	10,864,378	9,431,931	7,859,775
Total – Commonwealth Aid	\$85,866,343	\$87,771,391	\$88,088,068	\$88,033,189	\$88,415,916

Commonwealth Aid

- Description** – The Commonwealth of Virginia provides four types of aid to the County where the types are based upon the conditions, if any, attached to the County’s use of the funds. “Categorical Aid” must be used for State-designated programs or purposes. The Board of Supervisors determines the programs that will receive “Non-Categorical Aid.” “Unrestricted” aid gives local authorities discretion as to how funds are used, while “restricted” aid specifies how the funds must be spent (e.g., to hire additional personal, to give pay raises to existing personnel, or to purchase a designated type of equipment).
- Administration** – The County obtains some of this aid on a recurring basis, while other forms of aid represent grants for which the County must apply based on the criteria of the specific aid program.
- Supplemental Information** – State Non-Categorical Aid - Unrestricted includes the State’s annual payment to Loudoun of \$48,070,700 as reimbursement to offset a portion of the personal property tax on the first \$20,000 of assessed value on

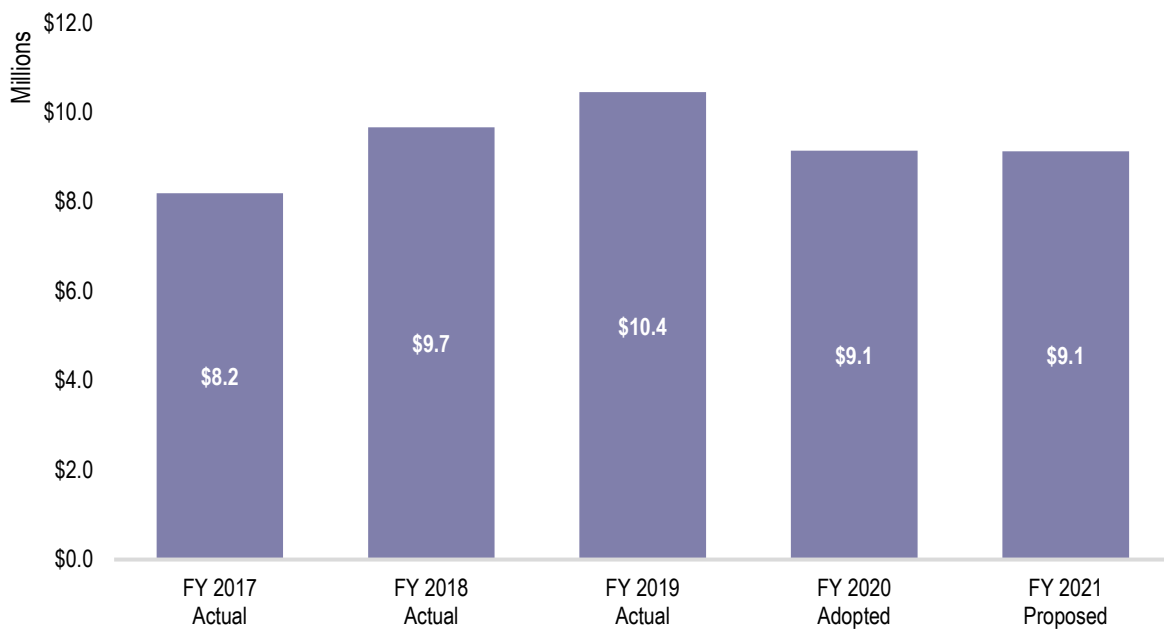


Commonwealth Aid

personal-use vehicles housed within the County. In calendar 2019, the State's contribution covered an estimated 38 percent of the personal property tax levy on qualifying vehicle value. Over time, this percentage will decline as the fixed value of the State's annual contribution is spread across a growing number of vehicles registered in the County. This aid category also includes revenue from a State-imposed 4 percent tax on daily vehicle rentals in Loudoun, a 3 percent tax on the filing of mobile home titles, and half of the revenue collected by Loudoun's Clerk of the Circuit Court for the filing of deeds of real property. State Shared Expenses – Unrestricted is revenue provided by the State Compensation Board to partially fund the operation of county offices established in the State Constitution (i.e., Commissioner of the Revenue, Treasurer, Clerk of the Circuit Court, Sheriff, and the Commonwealth's Attorney).



Federal Aid



	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Federal Aid					
Non Categorical Aid- Unrestricted	\$3,292	\$3,360	\$3,435	\$1,800	\$1,800
Categorical Aid - Restricted	8,187,401	9,659,546	10,444,898	9,137,990	9,127,571
Total – Federal Aid	\$8,190,693	\$9,662,906	\$10,448,333	\$9,139,790	\$9,129,371

Federal Aid

- **Description** – The Federal Government currently provides two types of aid to the County where the types are based upon the conditions, if any, attached to the County’s use of the Funds. “Categorical Aid” must be used for Federally-designated programs or purposes. The Board of Supervisors determines the programs that will receive “Non-Categorical Aid.” “Unrestricted” aid gives local authorities discretion as to how funds are used, while “restricted” aid specifies how the funds must be spent (e.g., to hire additional personal, to give pay raises to existing personnel, or to purchase a designated type of equipment).
- **Administration** – The County obtains some of this aid “automatically” on a recurring basis, while other forms of aid represent grants for which the County must apply based on the criteria of the aid program. Most of the Categorical Aid – Restricted is administered by the Department of Family Services.
- **Supplemental Information** – Federal Aid comprises a negligible portion of General Fund revenue, and it has generally declined over the last several years. The Non Categorical Aid– Unrestricted is a payment from the Federal Bureau of Land Management related to tax-exempt parcels of land owned by the National Park Service.



School Fund¹

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Local Funding					
General Fund Transfer	\$681,864,398	\$732,512,736	\$797,325,815	\$873,658,353	\$951,961,063 ²
Rebates and Refunds	65,109	291,859	339,644	50,000	335,000
Sales of Textbooks	0	723	7,792	15,000	10,000
E-Rate Reimbursement	1,642,457	1,346,551	0	1,500,000	1,500,000
Tuition	1,647,996	1,822,049	1,858,511	1,900,000	2,001,000
Use of Buildings	1,124,234	1,272,679	1,151,429	1,500,000	1,250,000
Athletic, Parking, AP Test Fee	3,473,381	3,551,793	3,539,399	3,625,000	2,860,000
Hughes Foundation	852,327	854,554	2,019,180	1,000,000	1,000,000
PAVAN ¹	35,753	0	12,980	18,800	0
Local Grants & Contributions	168,413	211,462	665,506	22,483	70,186
Sales of Equip. & Supplies	344,465	209,174	152,383	365,000	365,000
Miscellaneous	1,977,434	1,432,729	2,748,009	2,179,343	2,400,000
Subtotal – Local Funding	\$693,195,967	\$743,506,309	\$809,820,648	\$885,833,979	\$963,752,249
Commonwealth Funding					
Sales Tax	\$77,150,605	\$76,573,689	\$82,103,621	\$90,481,812	\$95,800,455
Basic Aid	171,381,162	175,187,156	190,636,555	191,624,914	205,391,880
Fringe Benefits	30,990,397	34,194,124	35,510,830	36,113,305	40,242,522
Textbooks	3,866,051	3,968,109	3,791,713	3,843,815	4,126,778
Special Education	19,844,084	20,409,791	22,639,742	21,960,280	24,737,434
Vocation Education	1,333,443	1,418,775	1,494,030	1,615,559	1,875,837
Supplemental Support	2,188,472	11,582,728	13,712,904	25,783,279	14,859,271
SOL Materials/Training	163,613	266,207	292,472	299,452	341,432
Technology Plan	3,617,057	544,526	4,536,306	2,390,000	2,494,000
Other	12,752,764	13,427,051	15,114,436	16,624,463	20,044,876
Subtotal – Commonwealth	\$323,287,648	\$337,572,156	\$369,832,609	\$390,736,879	\$409,914,485
Federal Funding					
Title I	\$2,138,156	\$2,137,848	\$1,653,902	\$1,832,788	\$1,999,821
Head Start	904,413	856,333	923,972	893,638	950,657
Handicapped Education	9,622,926	9,971,680	12,430,708	12,764,516	13,027,941
Other	3,337,276	4,092,849	4,793,052	5,495,936	5,319,776

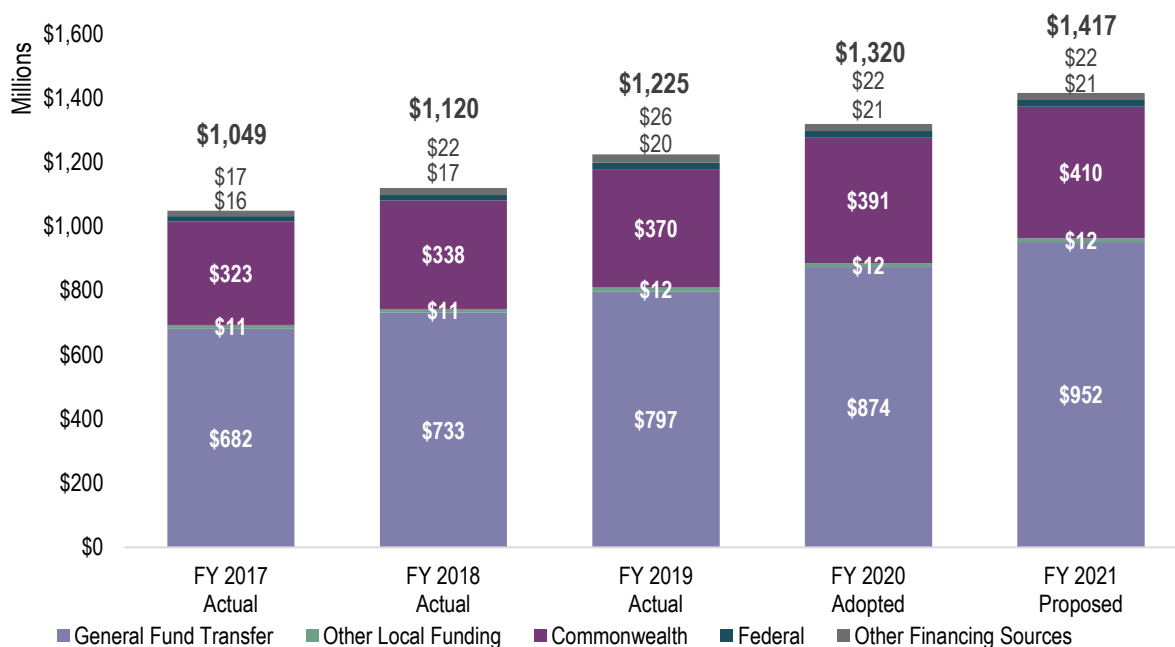
¹ Sums may not equal due to rounding.

² The County Administrator's FY 2021 Proposed Budget includes a General Fund transfer of \$949,461,823 reflecting a shortfall of approximately \$2.5 million.



School Fund

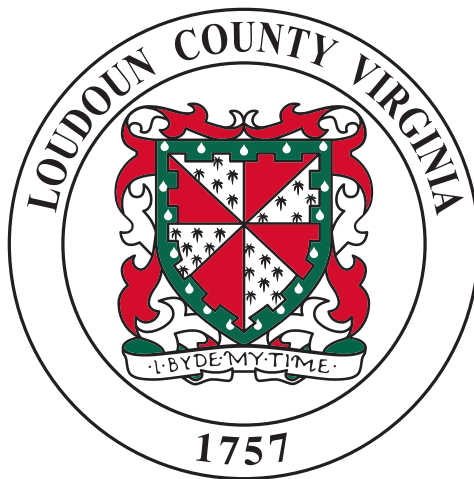
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed
Subtotal – Federal	\$16,002,771	\$17,058,710	\$19,801,634	\$20,986,878	\$21,298,195
Other Financing Sources^{1,2}	\$17,000,000	\$22,000,000	\$25,630,206	\$22,002,000	\$22,002,000
Total – School Fund	\$1,049,486,386	\$1,120,137,175	\$1,225,085,097	\$1,319,559,736	\$1,416,966,929
General Fund Transfer – Percent of Total	65.0%	65.4%	65.1%	66.2%	67.2%



- **Description** – The above table shows the various sources of annual operating revenues for the Loudoun County Public School System. FY 2021 revenues are from the School Board’s adopted FY 2021 budget request. The County provides approximately two-thirds of the annual funding for the School System.
- **Administration** – The School Superintendent first presents a proposed budget to the School Board. The Board may adopt or modify the Superintendent’s FY 2021 revenue proposal to arrive at its own proposed budget, including the General Fund Transfer amount. The Board of Supervisors must appropriate the General Fund Transfer from the County to the School System, and the Board of Supervisors may or may not fully fund the School Board’s request.
- **Supplemental Information** – Between September 2000 and September 2019, enrollment in Loudoun County Public Schools increased by 165 percent from 31,804 students to 84,175. Over the next five years, the Superintendent’s Recommended FY 2021-2026 Capital Improvement Program anticipates annual enrollment growth averaging approximately 1.0 percent or 805 students per year. The decline in enrollment growth has reduced, but not eliminated, the need to construct and operate additional schools.

¹ Other Financing Sources includes funding for school bus and vehicle leases.

² Includes fund balance rollovers.





Forecast Discussion and Analysis

The Economic Outlook

The forecast of FY 2021 General Fund Revenue assumes that the U.S. economy will continue to expand in 2020 and 2021 with real Gross Domestic Product (GDP) increasing at approximately 2.0 percent annually. The *Wall Street Journal* Economic Survey of January 2020 shows average GDP growth in 2020 of 1.9 percent followed by 2.0 percent in 2021. During 2019, the U.S. economy continued to add jobs at a healthy pace and the unemployment rate declined to 3.3 percent as of November 2019. Sales of new cars and trucks in 2019 were slightly below 17 million units following three consecutive years of over 17 million units. New single-family home construction in 2019 was fairly consistent with the level seen in 2018 despite lower median home prices such homes. Existing single-family homes saw a median increase in sales prices of 4.8 percent. Following four increases in the target range for the federal funds rate in 2018, the Federal Reserve decreased the target range three times during 2019 restoring the target rate from March 2018. A number of equity market indicators (e.g., DOW, S&P 500) reached record levels in 2019.

The FY 2021 Proposed revenue forecast also assumes that Loudoun's economy will continue to expand in 2020 and 2021, as it has for the past several years. Prior to 2015, the Washington, D.C. regional economy experienced two years of slow employment growth which coincided with Federal spending cuts mandated by the Budget Control Act of 2011. Except for occasional government shutdowns, Federal spending has stabilized and regional job growth accelerated as the economy continues a transition to less reliance on Federal government spending. Employment in Loudoun in the first half of 2019 was approximately 3.8 percent higher than in the first half of 2018, compared to a 1.4 percent increase for the U.S. Meanwhile, the unemployment rate for Loudoun residents continues to be lower than those of the U.S. and the Washington, DC region. Loudoun's November 2019 unemployment rate was 2.0 percent while the corresponding rates for the U.S. and the Washington, D.C. region were 3.3 and 2.8 percent, respectively.

In 2019, Loudoun County issued building permits for 3,035 new residential dwelling units (preliminary value excluding group quarters units). This is the eighth consecutive year in which 3,000 or more new residential permits were issued by the County. Sales of existing homes in the County increased by less than 1 percent in 2019. Similar to 2018, the lack of inventory was a limiting factor in the sales of existing homes. The Dulles Association of Realtors remarked that December 2019 marked the lowest year-end inventory of active listings in at least a decade. This assessment of the local housing market is evidenced by the fact that median sale price increased by 8.0 percent between December 2018 and December 2019. The assessed value of taxable commercial and industrial property in the County increased by 12.0 percent in 2019, the fourth consecutive year of increase in excess of 9 percent. The County continues to attract data centers with several site acquisitions and development plans announced in the past year. During 2019, the County issued building permits for approximately 3.4 million square feet of new data center space. The data center industry appears poised for continued future growth as more companies transition to cloud IT services.

General Property Taxes – Methodology

Forecasts for both real and personal property tax revenues are developed in consultation with the Commissioner of the Revenue, the Clerk of the Circuit Court, and the County Treasurer. Forecasts are based on current estimates of respective tax bases, coupled with forecasts of growth or decline. Forecasts incorporate historical analysis, expected growth and business activity, and information regarding broader trends in market values. For real property, the County's automated assessment system serves as a crucial tool in the analysis of ongoing reassessment trends and the current status of the County's total valuation. Assessment data is consolidated in the County's Land Management Information System. Taxable assessments are adjusted for deferrals, new construction forecasts, tax relief programs, and the tax collection rate, prior to developing revenue forecasts for the fiscal year. The FY 2021 (July 1, 2020 to June 30, 2021) forecast combines the forecasts for Tax (Calendar)



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Year 2020 and Tax (Calendar) Year 2021. For vehicles, valuation trend data from the National Automobile Dealers' Association, fuel prices, and new vehicle registration trends are evaluated to provide a basis for the forecast for Tax Years 2020 and 2021.

Real Property Taxes – Assessed Value, Equalization, and Rates

Real property taxes are levied on the value of land and structures (improvements). All real property is classified according to its mode of use as residential, commercial/industrial, or agricultural. The following table shows the assessed valuations of taxable real property within the County (exclusive of Public Service property, both real and non-motor vehicle personal, valued at \$2.9 billion on January 1, 2019). Valuations reflecting the condition of the property and market valuations are shown as of January 1 for each calendar year or tax year (TY) as required by the Code of Virginia. The table also shows the estimated contributions of property equalization (or revaluation) and new development to the change in assessed value. During TY 2019, the taxable value of real property is estimated to have increased by \$6.3 billion or 7.6 percent. The value of residential property increased by 5.5 percent of which 2.2 percentage points were due to new development while existing properties appreciated in value by 3.3 percent. In TY 2019, the rate of appreciation for commercial/industrial property was 7.4 percent, 0.8 percentage points below the rate of appreciation in TY 2018.

Real Property Class	Taxable Assessed Value (Billions)		Value \$	Value %	Equalized %	Develop. %
	Jan 1, 2019	Jan 1, 2020 ¹	Change	Change	Change	Change
Residential – Single Family and Condo	\$62.18	\$65.59	\$3.41	5.5%	3.3%	2.2%
Comm. & Industrial ²	19.86	22.95	3.09	15.6%	6.8%	8.7%
Agricultural ³	1.47	1.32	(0.16)	(10.6%)	(7.1%)	(3.5%)
Total Taxable	\$83.51	\$89.86	\$6.34	7.6%	4.0%	3.6%

The “Equalized % Change” in the value of real property results from market forces as properties are transferred from sellers to buyers at sale prices negotiated in arms-length transactions. A positive (negative) equalized change indicates that recent buyers of properties have generally paid more (less) for the property than was true a year ago, even in the absence of significant property improvements. The remainder of the increase in property value is labeled “Development % Change” which reflects the building of new structures, the sub-division of large parcels of land, and improvements such as grading and landscaping. The percentage change in taxable value due to development during TY 2019 is 3.6 percent overall and 2.2 percent for the residential class. The equalized percentage increase for all property classes combined was an estimated 4.0 percent in TY 2019⁴. The FY 2021 Proposed Budget is predicated on a real property tax rate of \$1.035 effective January 1, 2020. The estimated equalized tax rate – the rate that would yield approximately the same tax revenue in 2020 from

¹ Source: Commissioner of the Revenue's Loudoun County Assessment Summary (1/24/2020). Individual values may not sum to totals due to rounding.

² Includes commercial apartment buildings.

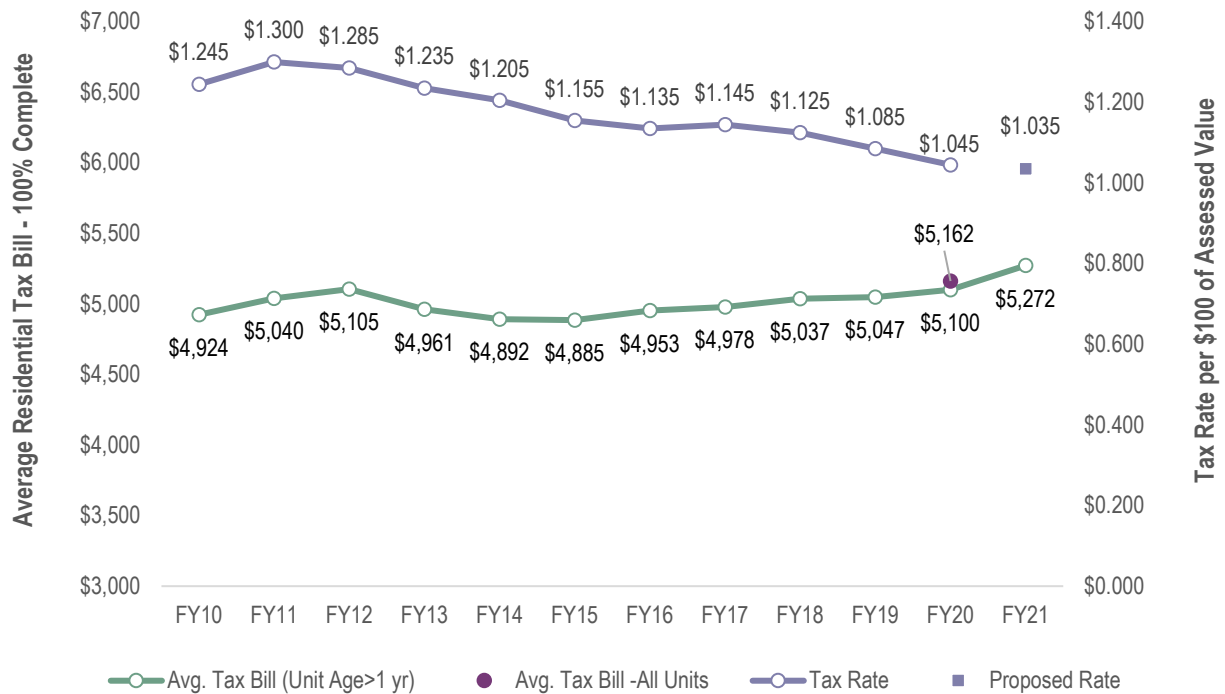
³ Taxable value is land use value, not fair market value for properties in the land use program.

⁴ The equalized percentage change is an *average* value for the set of properties being assessed. The equalized change in value of individual properties will generally differ from the average depending upon the specific characteristics of the property (e.g., location, age, size, condition).



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completed properties in existence in 2019 as that yielded by the actual 2019 tax rate – is \$1.010¹. Even at the equalized tax rate, new revenue is generated as a result of new construction and improvements. If overall equalization in 2019 had been 2.0 percent, the 2020 equalized tax rate would have been 2 percent below the existing tax rate. The graph below shows the history of Loudoun’s real property tax rate (purple line) along with the associated average tax bill for homes that were completed at least one year prior to January 1 of the year shown (green line).



The graph shows that the tax rate of \$1.035 increases the annual tax bill for the average home in existence as of January 1, 2019 by \$110, from \$5,162 in 2019 to \$5,272 in 2020.

Personal Property Taxes

The table of General Property Taxes on page R-2 contains nine different categories of personal property tax revenues each corresponding to a specific category of personal property specified in State law. The two largest categories are “Vehicles” and “Computer Equipment.” State law specifies at least 20 categories of tangible personal property for the purpose of assessing market value. For example, automobiles and light trucks are distinct categories for valuation purposes. State law also allows local authorities to set the tax rate on general personal property and permits them to set tax rates below the general rate for specific categories of personal property and/or for taxpayers meeting designated criteria (e.g., elderly and disabled, charitable, volunteer).

Business tangible personal property is assessed at 50 percent of original cost in the first year, decreasing each year to 10 percent for property at least five years old. Within business tangible property, personal property tax receipts from the computer equipment category has accelerated with the increase in data center construction. In 2019, an estimated 4 million in square footage related to data centers came online, bringing the total estimate to 18 million square feet of data center facilities.

¹ The County’s practice is to round the tax rate to an even half-cent value which can cause the percentage difference between the existing and equalized tax rate to differ slightly from the reported equalized percentage for taxable real property.



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During 2019 developers obtained building permits for another 3.4 million square feet of space. In each of the past seven fiscal years, “Computer Equipment” revenue has increased by more than 20 percent over the previous year, with increases ranging from 23 percent to 38 percent. This forecast assumes annual growth in 2020 and 2021 of 23 and 21 percent, respectively. Although the County can track new data center construction through the zoning and building permit processes, there is no practical way to monitor installations of computer equipment between annual personal property filings. For this reason, starting in FY 2020, a portion of the business personal property tax (BPPT) rate on computer equipment has been programmed into the 6-Year Capital Improvement Program each year for use in the renovation, alteration, and renewal program. This strategy continues in the FY 2021 Proposed Budget, with the allocation of \$16.4 million for the renovation, alteration, and renewal program and for County land acquisition. This strategy provides an opportunity to program an incremental amount of BPPT revenue while providing maximum flexibility. Should BPPT experience a decline due to market or economic changes, these one-time expenditures can be scaled back rather than reducing operating expenditures in the General Fund. Staff believes this is a prudent and conservative use of the additional expected incremental increase of BPPT.

Vehicle personal property revenue depends upon the number and characteristics (e.g., age, make, and model) of the vehicles registered with the County, since these factors determine their assessed value. The number of vehicles in the County tends to increase over time along with the growth in population. Data for recent years indicates an approximately constant average vehicle age of eight years, implying that residents replace old vehicles with newer ones at an approximately constant rate. The purchase of newer and/or more expensive vehicles tends to increase the assessed value, while retention of existing vehicles tends to reduce it due to depreciation (as determined by the used car market). In FY 1999, the State began a phased reduction of personal property taxes on the first \$20,000 in value of private vehicles. During the 2004 General Assembly session, the reduction was held to 70 percent, with the foregone revenue reimbursed to localities. In 2006, the State’s reimbursement to localities was capped, with Loudoun’s set at \$48,070,701. Consequently, the percentage reduction on each citizen’s tax bill will decline over time as the value of the vehicle stock continues to increase. For Tax (calendar) Year 2019, the estimated percentage in Loudoun was 38 percent. This percentage is recalculated each spring once vehicle assessments for the previous January 1 are available.