



BOARD APPROVES \$107 MILLION BUDGET, SETS REAL ESTATE TAX RATE AT 64 CENTS

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Christiansburg, Virginia – At a special work session on Monday night, April 21, the Montgomery County Board of Supervisors approved a budget for Fiscal Year 2003-2004 totaling \$107,270,491, and established a real estate tax rate of 64 cents per \$100 of assessed value. All supervisors were present, and the vote was unanimous.

The total budget includes:

- \$74,843,218 for school operating funds (\$36,096,834 from County dollars, with the balance coming from State and Federal funds and other sources);
- \$4,436,973 for other school funding;
- \$27,972,700 for the general fund (public safety, public works, health and human services, courts, libraries, parks, planning and inspections, and all other County government services); and
- \$17,600 for the Law Library.

The approved budget includes a \$622,627 increase in County dollars - plus a \$1,013,342 increase in state funding (over last year's amounts) - for public schools.

The approved budget also includes increased expenditures for several other programs and agencies. These increases are accomplished with no additional funding (from last year's amounts); either by redirecting dollars, reducing other services or programs, or increasing fees:

- \$245,000 for an average 1.8% salary increase for County employees, comparable to the state's proposal for state-supported local employees, from redirected dollars;
- \$59,650 for operational increases for the Sheriff's Office, from court fees;
- \$57,504 for an Emergency Services Coordinator, to support fire and rescue operations, from redirected dollars;
- \$37,800 for an Erosion and Sediment Control Inspector, to perform required inspections, from inspection fees;
- \$5,000 for additional training for Building Inspectors, from inspection fees; and
- increased health insurance premiums, from redirected dollars.

The Board's resolution also set the following tax rates, which are unchanged from last year:

- tangible personal property - \$2.45 per \$100 (assessed at 100%);
- machinery and tools - \$1.82 per \$100 (assessed at 100%); and
- merchants' capital - \$6.05 per \$100 (assessed at 20%).

The 64-cent tax rate is a 7.5-cent decrease from the current rate of 81.5 cents, and is called the "revenue-neutral" rate. Since property values have increased, as reflected in the recent reassessment, a lower tax rate will generate the same amount of total revenue from County taxpayers. With a revenue neutral rate, the total amount of revenue generated by

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County taxpayers remains the same as last year. Since property values change differently, some individual tax bills will go up, some will go down, and some will remain the same, but the average tax bill will be the same as last year.

In the last 12 years, the County's real estate tax rate has averaged 71.4 cents per \$100, ranging from a low of 63 cents in 2000 to a high of 81.5 cents in 2002.

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