

# Revenue Classifications

## General Property Taxes

**Real Estate Tax** - The real estate tax is \$0.86 per \$100 of assessed value of real property, which is defined as land and improvements, including buildings and other structures. Real property taxes are levied in April with payments due on June 5 and December 5.

**Public Service Corporation Tax** – The public service corporation tax is a reduced real estate and personal property tax rate for companies that have land in Hanover and whose purpose is to provide utilities for the public. An example is a railroad line. The County receives an annual report from the State Corporation Commission dictating these rates.

**Personal Property Tax** – The personal property tax, exclusive of aircraft is \$3.64 per \$100 of assessed value of personal property, which includes motor vehicles, mobile camping trailers, airplanes, boats, and motors belonging to residents and businesses. The rate for airplanes is \$1.00 per \$100 assessed value.

**Mobile Home Tax** - The mobile home tax is a tax on mobile homes that are not on permanent foundations. This does not include RVs, which are classified as a vehicle and taxed as personal property. If the mobile home is on a permanent foundation on land of the owner, then it is classified and taxed as real estate.

**Machinery & Tools Tax** – The machinery and tools tax is a tax on machinery and tools used in manufacturing, mining, processing, and radio/television broadcasting. The original cost of the machinery and tools plus installation is taxed at a rate of \$3.64 per \$100 of assessed value with an assessment ratio of 10% applied.

**Merchants' Capital Tax** – The merchant's capital tax is a tax on intangible personal property such as inventory and daily rental of passenger cars. The tax is \$1.90 of assessed value.

**Delinquent Taxes** – The County considers taxes to be delinquent as of August 1 of the next fiscal year after the assessment of the property.

**Penalties & Interest** - Penalties and interest are charges assessed for paying a bill after the due date. Penalties are a flat 10% of the tax regardless of how late payment is. Interest accumulates at a 10% annual rate.

## Other Local Taxes

**Local Sales & Use Tax** – The County receives 1% of the Commonwealth's 4.5% sales tax on all local sales, which is collected by merchants and remitted through the Commonwealth to Hanover. The County then remits 2.77% of that amount to the town of Ashland.

**Sales Tax on Mobile Homes** – The sales tax upon the sale or use of a motor vehicle home is 3% of the sale price. This sales tax is also remitted through the Commonwealth to Hanover.

**Consumer Utility Tax** – The consumer utility tax is a tax applied to all telephone, gas, and electric service recipients residing within the County. The County collects 20% of the first \$15 on telephone, gas, and electric bills and 10% of the first \$30 on a cellular phone bill. This statewide tax is collected by the state and distributed to the County on a monthly basis.

**Contractor's Licenses** – The contractor's licenses tax is based on prior year gross receipts of every contractor having \$100,000 in gross receipts and having a definite place of business in the County, or having no definite place of business but residing in the County or defined as a contractor by the Code of Virginia. The tax rate is \$0.10 per \$100 of receipt total. Payment is due on or before March 1 of the license tax year.

**Utility Franchise License Tax** – The utility franchise license tax is a tax on telephone and telegraph companies providing telephone or telegraph communications in the County. These companies must remit a license tax equal to ½ of 1% of the gross receipts of the previous year. This tax is due by January 31 of the license tax year.

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Motor Vehicle License Tax – The motor vehicle license tax is a tax on all vehicles housed in the County, excluding those in the Town of Ashland. The cost of a County license for vehicle under 4,000 pounds is \$23, while those greater than 4,000 pounds is \$28. Motorcycles are \$18, trailers under 4,000 are \$17, those greater than \$4,000 pounds are \$20. National Guard vehicles are \$11.50, and farm vehicles are \$14.

Lodging Tax – The lodging tax is a tax on the amount paid for lodging in any hotel, motel, boardinghouse or travel campground occupied for a period of less than thirty consecutive days. The tax is 8% of the charge and includes charges for all services provided for the space or room as a unit price.

Bank Stock Tax – The bank stock tax is a tax on the net capital of a bank. The tax rate is \$0.80 per \$100 of net capital and is apportioned to the locality based on the number of branches located in the locality.

Recordation Tax – The Clerk of the Circuit Court's Office collects local recordation taxes authorized by the Code of Virginia. Amounts collected are based on the amount of consideration or amount of obligation.

Tax on Wills – The Virginia code authorizes localities to impose a tax on the probate of wills in an amount equal to one-third of the amount of the state recordation tax. The state tax rate is 10 cents per every one hundred dollars of value. The Clerk of the Circuit Court collects this tax.

## Permits, Fees, and Licenses

Well-Septic Inspection - Fees are collected to defray the costs associated with processing site and soil evaluations for the Health Department.

Animal Licenses – Fees are collected for animal licenses in the amount of six dollars for individual license fees.

Planning Permits & Fees - The planning permits & fees charged include all land use application fees and charges for service and materials such as documents for sale.

Building Permits - Fees are collected to defray the costs of conducting code compliance plan reviews and field inspections of the construction of buildings and structures. These costs also include the associated administrative costs.

Mechanical Permits - Fees are collected to defray the cost of conducting code compliance plan reviews and field inspections of mechanical installations such as HVAC systems, gas installations and fire protections systems. These costs also include the associated administrative costs.

Electrical Permits - Fees are collected to defray the costs of conducting code compliance plan reviews and field inspections of electrical installations and alarm systems. These costs also include the associated administrative costs.

Plumbing Permits - Fees are collected to defray the costs of conducting code compliance plan reviews and field inspections of plumbing installations. These costs also include the associated administrative costs.

Septic Tank Permits - Fees are collected to defray the costs associated with processing septic tank permit applications for the Health Department.

Cable TV Franchise Fees – Cable television franchise fees are the fees cable TV companies pay the government for the use of right-of-ways to run their cable lines. Hanover County's cable company (Comcast/AT&T Broadband) passes these fees along to their subscribers. Franchise fees are charged on all revenues that the cable company collects, not only from their subscribers but from other extraneous sales such as home shopping commissions and advertising revenue. Hanover's franchise fee is 5%.

Fire Inspection Fees – Fire inspection fees are charged to businesses required to obtain fire permits. Fees are based on occupancy, size, and frequency of inspections.

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Erosion & Sediment Inspection – Erosion and sediment inspection fees are charged to help offset the cost of providing inspections mandated by the state on all regulated land-disturbing activities. Fees for projects such as single-family housing projects that are eligible for and “agreement in lieu of a plan” pay the fees at the time of building permit application. All other projects pay a fee at the time of plan approval, which is based on the type of project (commercial, residential subdivision, general / early land-disturbance, etc.) and the amount of area disturbed.

## **Fines and Forfeitures**

Court Fines & Forfeitures - Fines are assessed for violations of county criminal ordinances and are paid to the County. The Circuit Court transmits money collected in the General District courts in addition to money collected in the Circuit Courts.

Interest on Fines – Interest is collected on fines that are past due.

Courthouse Maintenance Fees - The locality is authorized by the Virginia Code to assess a fee for the maintenance, renovation, construction of the court house.

Security Alarm Fees - Security Alarm fees are collected as a result of the Security Alarm Ordinance that went into affect April 1, 2002. The fees collected are for excessive false alarms during a calendar year, failure to respond to an alarm activation, failure to apply for a permit once notified that it is required, and other civil penalties.

## **Use of Property and Money**

Interest on Investments – Interest is collected on monies that the County has deposited in financial institutions.

Interest on Doswell Loan – In 1980, the Board of Supervisors approved a loan from the General Fund to Public Utilities. This loan is being repaid over a 25 year period with interest at 7% per annum.

Rental Income – Rental Income is revenue received from the Health Department for the County office space that the department occupies. Other minor rental revenues are received in this category for such things as use of towers on the County’s property/

Other Revenue – Other revenue includes rental income received from the Airport’s Fixed Based Operator for rent and fuel flow. The County also receives rent from a wireless communications company for rented space on the beacon tower of the airport. Also included in this revenue source are nontaxable and taxable sales made by the County for materials, irrigation meters, etc.

## **Charges for Services**

Circuit Court:Excess Fees - The Clerk of the Circuit Court’s Office collects clerk’s fees for every transaction. Monthly the expenditures authorized by the State Compensation Board are subtracted from the Clerk’s fees collected. Two-thirds of the amount of clerk’s fees collected in excess of authorized expenditures are remitted to the County. The remaining one-third is paid to the state.

Circuit Court:Law Library Fees - Localities are authorized by Virginia Code to impose an assessment in civil actions in an amount not to exceed \$4.00. These revenues are used to update the law library of the County.

Animal Control: Boarding Fees – Animal control boarding fees are \$5 per day for the boarding of animals. Boarding charges are set by County code.

Landfill Fees – Landfill fees are those fees charged at the transfer station per ton for disposal of solid wastes. The rate for is \$50 per ton.

Transfer Fees - Transfer fees are fees paid by the County to a contractor for solid waste transfer and disposal.

Landfill Penalty - Landfill penalties are late fees for past due waste disposal bills.

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Cannery Fees – Fees are collected to help defray the cost of the service provided by the cannery to the public.

GIS-E911 Service Fees – The County has established an Enhanced 911 Service Fee of \$3.00 per telephone service for all wireline residential and business telephones in the County. The fee is collected by local telephone service providers and is applied to individual telephone bills. By law, 100% of the fees collected go to directly support the County's E-911 emergency response system program.

## Recovered Costs

Fleet Services – This revenue line represented fleet charges to departments before an internal service fund was established.

General Services – The general services department charges departments for telephone usage, print shop usage and motor pool usage. Revenues for these charges are recorded here.

Pamunkey Regional Jail – Revenues are received from the Pamunkey Regional Jail in exchange for services of County departments such as information technology, finance, human resources, etc,

Utility Fund Cost Allocation - Revenues are received from the PublicUtilities fundl in exchange for services of County departments such as information technology, finance, human resources, etc,

Sheriff Forfeiture State and Federal - Due to the Sheriff's Office participation in local narcotics investigations and state and federal task forces, it is eligible to receive funds seized from narcotics enterprises and applicable criminal endeavors. Funds received from these programs are maintained in an interest bearing escrow account and can only be expended on non-budgeted items with a direct correlation to law enforcement.

Commonwealth Attorney – Forfeiture State – Forfeiture funds are revenue received as a result of law enforcement taking possession of property or currency used in connection with the trafficking of controlled substances. Annual agreements between the Commonwealth's Attorney's Office and the various law enforcement agencies allot 85% of seized funds to the law enforcement agency and 15% to the Commonwealth's Attorney's Office.

Health Department Excess Fees – The County funds 45% of the Health Department expenditures. The appropriated amount is given to the Health Department and at the end of the fiscal year, any funds that have not been expended are returned to the County.

County Attorney Delinquent Taxes – The County attorney's office has pursued the collection of delinquent real estate taxes, and this revenue represents the taxes collected through the office's efforts. The office has utilized outside legal aid in accomplishing this goal, for which the cost is budgeted in the department's budget. This task will be performed by the Treasurer's office beginning in FY04.

Landfill Recycling - Landfill recycling recovered costs are proceeds from scrap metal recovery and recycling.

Economic Development – Fee paid to the general fund to offset the County's economic development costs. Fee is based upon issuances of the IDA.

Community Resources - This revenue source comes from the Title IV-E Revenue Maximization Project recently initiated by the County. Funds received fully support two positions within the Department, the Revenue Maximization Coordinator and the Youth Services Coordinator

Contributions : GRCCA – Refund to the County form the contribution to the Richmond Convention Center.

EMS : Bon Secours – In partnership with Bon Secours Memorial Regional Hospital donations are made to offset the cost of training County volunteers in skills from EMT Intermediate to EMT Paramedic.

# Revenue Classifications

## Non-Categorical State Aid

ABC Profits - The Virginia Department of Alcoholic Beverage Control remits a portion of the state's profit on alcohol sales back to localities. This remittance is based on the population of the County.

Wine Taxes - The Virginia Department of Alcoholic Beverage Control remits a portion of the state's wine tax back to localities. The tax amount is 4% of the retail price and the amount given to the County is based on the population.

Motor Vehicle Carriers's Tax – This tax is collected on large vehicles and is dependent on the number of miles traveled through the area and the amount of fuel consumed.

Vehicle Rental Tax – Taxes are levied on the gross proceeds from the rental of motor vehicles in Virginia. The additional taxes (4-8%) are collected by the Department of Motor Vehicles and distributed to the County where the daily rental vehicle was delivered to the customer.

Personal Property State Share – As part of the State's tax relief program was the mandate that beginning in FY01, localities were to classify the reimbursement from the State as non-categorical state aid.

Personal Property State Share Delinquent – The revenue for personal property taxes is received from the State when individuals pay their portion of the tax. Therefore, if an individual is delinquent in payments, the State portion will also be delinquent.

## State Share of Local Offices

The State Compensation Board provides funding for the various departments with constitutional officers to provide for the cost of salaries and benefits, and office expenses. The County supplements these funds.

## Categorical State Aid

Social Services: Public Assistance – The Social Services Department receives state funding for a variety of purposes, including assistance for needy families.

Juvenile Court Services: Youth & Family Services – The County receives revenues as a result of the Virginia Juvenile Community Crime Control Act (VJCCCA). This grant increases funding for community based juvenile justice programs.

Commonwealth's Attorney: Victim Witness – State funding in the form of a victim witness program grant is provided through the Virginia Department of Criminal Justice Services. They receive much of their funding from federal grants. The funding is based on victim caseload data reported by the County's office.

Emergency Communications State Cellular Tax – The emergency communications state cellular tax is collected by the State and is applied for annually through the State Wireless 911 Board. Funding is used to supplement local salary funding as well as the cost of training and equipment used for wireless 911.

Sheriff: Motor Vehicles - The Sheriff's Office received a \$15,000 grant this year from the Department of Motor Vehicles. This funds overtime costs related to saturation patrols for traffic concerns and DUI checkpoints.

Airport: Aviation - The Virginia Department of Aviation provides funding for maintenance projects at the airport. For any eligible maintenance project at the airport the County can receive between 50% to 80% funding of the total project cost.

Emergency Medical Services: Two for Life – The Two for Life revenues consist of \$2 of each automobile registration that is earmarked for emergency Medical Services. A percentage established by the State is sent back to the locality each year.

Fire: Fire Programs – Fire programs revenue is funds provided by the State for the training of volunteer and career firefighters. These funds are distributed based on a percentage established by the State from funds received for fire insurance.

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Community Resources: CASA Grant - The Virginia Department of Criminal Justice Services provides funds, in the form of a block grant, to all local CASA programs meeting certain requirements. Hanover County has been receiving this block grant since 1996 and supports the Hanover CASA Program, a child advocacy program within the Department of Community Resources

Community Resources: Anti-Litter Grant –The anti-litter/recycling grant was used to promote, enhance or purchase equipment that assists in the reduction of litter or the increase of recycling. The County is no longer receiving this grant.

Juror Reimbursement - The County is reimbursed by the state for the amount spent for jurors serving in criminal cases. Juror costs in criminal cases are ultimately charged to criminal defendants where they requested the jury trial.

## **Categorical Federal Aid**

Fire: Civil Defense – Civil defense revenue no longer exists at the federal level. The County gets local funding from Virginia Power for emergency planning and actions associated with the North Anna Nuclear Power Station.

Community Resources: Justice - The Victims of Crime Act provides federal funds for the purpose of assisting victims of crime. In Virginia, the Department of Social Services administers the child abuse portion of these funds and utilizes a competitive grant process to award grants to programs that meet eligibility requirements. Hanover County utilizes the funds received to support the Hanover CASA Program, a child advocacy program within the Department of Community Resources

Sheriff: Justice - The Sheriff's Office participates in the Local Law Enforcement Block Grant funding program. This is a formula based grant that awards funds based on factors such as population and crime rate. Funds received this year are enhancing the search and rescue function of the office.

Sheriff: Criminal Justice Services - The Sheriff's Office participates in the Bulletproof Vest Partnership Grant. This grant program allows for reimbursement of the locality for up to 50% of its expenses related to providing body armor to its officers.

Commonwealth's Attorney: Justice - State funding in the form of a victim witness program grant is provided through the Virginia Department of Criminal Justice Services. They receive much of their funding from federal grants. The funding is based on victim caseload data reported by the County's office.

Social Services: Public Assistance– The Social Services Department receives federal funding for a variety of purposes, including assistance for needy families.

Certified Pass-through Recovery – This source of revenue involves federal funds obtained as a reimbursement of costs related to Title IV-E expenditures on behalf of children.

## **Miscellaneous**

Miscellaneous Refunds – Miscellaneous refunds represent revenues received by departments for administrative charges such as documents sold or copying charges.

Insurance Recoveries- Insurance recoveries represent revenues received as a result of insurance claims.

Sale of Assets – The Sale of Assets is revenue from proceeds of assets that have been sold by the County.

Reserve for Revenue Transfers – This revenue code is actually a budgetary tool utilized by the County in which the County allows for the amendment of the total budget for small amounts, such as insurance recoveries without Board approval. No actual revenue is recorded in this account.

Balancing Accounts – Balancing Accounts is the use of prior year's balance in the current year's budget.