

**REPORT OF THE  
COMMISSION ON STATE AID TO LOCALITIES  
AND  
THE JOINT SUBCOMMITTEE ON ANNEXATION  
TO  
THE GOVERNOR  
AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



**HOUSE DOCUMENT NO. 40**

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**Report of the**  
**Commission on State Aid to Localities**  
**and**  
**the Joint Subcommittee on Annexation**  
**To**  
**The Governor and the General Assembly of Virginia**  
**Richmond, Virginia**  
**March, 1979**

To: Honorable John N. Dalton, Governor of Virginia

and

The General Assembly of Virginia

The 1977 Session of the General Assembly established the Commission on State Aid to Localities in the wake of actions taken that year with regard to the annexation issue. In conjunction with this development, the chairmen of the House Committee on Counties, Cities and Towns and the Senate Committee on Local Government appointed a Joint Subcommittee on Annexation to work with the Commission. The two bodies met jointly throughout 1977 and submitted a report to the 1978 General Assembly. (See House Document No. 26, 1978.)

The Commission and Subcommittee recommended two measures which were introduced and carried over as House Bills 599 and 602. The two bodies have continued their study through 1978 as authorized by the original legislation for the purpose of continued consideration of the question of equity in State funding formulas as addressed by the recommended legislation. In addition, the General Assembly directed the Commission to study further the question of disparities in State services available to cities and counties, as follows:

WHEREAS, the Commission on City-County Relationships stated in its 1975 report, "When cities, counties, and towns are engaged in comparable services, State aid formulas and direct State functional expenditures should not discriminate on the basis of the type of local government."; and

WHEREAS, the 1977 Session of the Virginia General Assembly established the Commission on State Aid to Localities with the responsibility of studying the various means by which the State provides financial aid to local governments, and the responsibility of proposing modifications as found desirable; and

WHEREAS, the Commission conducted its studies jointly with a Joint Subcommittee of the Committee on Local Government of the Senate and the Committee on Counties, Cities and Towns of the House of Delegates that was charged with the responsibility of developing acceptable legislation concerning annexation, county immunity from annexation, town transition to city status, and the future of towns and immune counties; and

WHEREAS, the Commission and the Joint Subcommittee have proposed legislation that modifies some of the State programs for financial aid to local governments and have proposed legislation that

provides for immunity from annexation for certain counties; and

WHEREAS, it is the sense of the General Assembly that counties that obtain immunity from annexation should be treated equitably in regard to responsibilities, rights and duties and for all purposes of sharing in revenues of programs in which the Commonwealth participates with the localities, or provides services for the localities; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Commission on State Aid to Localities and the Joint Subcommittee on Annexation are directed to examine what changes in law or funding need be made for counties that obtain immunity from annexation, and that the Commission and Subcommittee give particular attention to any disparities which may exist between the tax burdens of the central cities and the urban counties of the Commonwealth. The Commission and the Subcommittee are specifically directed to consider the State programs for aid to local governments and the various services that are provided for counties and not for cities.

Historically, the State has adopted the position that there are some services which, although delivered at the local level, are partially a State responsibility. Consequently, it has shared the costs of these services with the local governments. State aid to localities, other than revenue-sharing types of aid, has traditionally taken three forms. First, the State has paid the entire cost of a local-level service. This has been the approach used with the construction and maintenance of highways in most counties. Secondly, the State has shared the cost on a fixed percentage basis, as has been done with the welfare programs and Constitutional officers. The third alternative is for the State to share the cost on a sliding percentage basis. This last method has been used with the local health departments and the regional mental health and mental retardation programs.

In their proposals, the Commission and the Joint Subcommittee recommended total State assumption of the salaries of circuit court judges and Commonwealth's Attorneys; revision of the State reimbursement of city street maintenance costs, in order to compensate for the effects of inflation; and placement of State funding of local welfare, health, mental health and law-enforcement programs on a sliding percentage based upon objective measures of a locality's wealth, program need and tax effort. A new element in this last proposal was partial State funding of city and county police departments. Previously, only the sheriff's department had received funds from the State.

The major bill embodying these recommendations, HB 599, was carried over by the House Committee on Appropriations. That bill has been the object of much scrutiny and discussion during the past year by the Commission, the Joint Subcommittee and a Subcommittee of the Appropriations Committee. While they recognize the authority and responsibility of the Appropriations Subcommittee to take action on the bill, the Commission and Joint Subcommittee recommend a major change in the method of funding local law-enforcement activities from that contained in HB 599.

The law-enforcement formula presented problems not found in the other areas. Because of State administration or fixed program criteria, the State has some control over the total costs in health, welfare and mental health. This was not true in the case of funding local police departments. Unless the State were to fund local departments on an unlimited basis, the Commission and the Joint Subcommittee had to find some method of establishing a maximum base for reimbursement. The members rejected the idea of a system comparable to the Compensation Board, whereby a State agency would virtually set the local police budget. Instead, it elected to use the statistical tool of a regression equation to predict what each local jurisdiction would be likely to spend for law-enforcement. It considered two methods of arriving at such a prediction: basing it on previous expenditures and determining which variables would be closely associated with that data or using the actual crime rate as a base and calculating the relevant variables.

Both methods have their peculiar advantages and disadvantages, but they both share one serious drawback—complexity. Because of that complexity, the Committee and the Joint Subcommittee recommend to the Appropriations Committee, and to the General Assembly as a whole, an alternative approach.

That alternative would designate the average of the last five fiscal years before the formula went into effect as the base year for determining the law-enforcement expenditures. The amount spent by each locality in that year would be assumed to be a true reflection of its law-enforcement needs. This base would be adjusted each fiscal year to reflect inflation and population changes and each locality would be reimbursed a sliding percentage of its base law-enforcement expenditures.

We feel that the remainder of the formulas originally recommended still are the best approach to solving the problem of equity in State funding and we recommend no change in them.

An additional matter which the General Assembly, in House Joint Resolution No. 148, asked the Commission to consider is whether some State services are provided to counties but specifically not to cities. The Commission contacted each Secretary in the Governor's Cabinet and considered the matter in light of its earlier researches as well. It is the finding that there are two areas in which counties receive State aid which is not available to cities, both of which the Commission has addressed in its previous recommendations.

The first such area is that of law enforcement. Counties receive the benefit of highway patrolling by the Department of State Police, which is funded entirely out of the State budget. On the other hand, cities, and counties with police departments, use their own policemen for highway patrol, traffic control, and accident investigation. In addition, sheriffs' departments, which are heavily subsidized by the State, perform a dual function in counties—court officer and crime control/investigation—whereas in cities and urban counties, they serve only as officers of the court. Crime control is handled by police departments.

The other area is that of highway construction and maintenance. As a general rule, counties do not have to fund the building or maintaining of their highways, while cities have to put up ten percent of construction costs of the extension of primary roads and 100 percent of the construction costs of other streets and are partially reimbursed for maintenance. To be sure, the cities have the advantage of being able to largely control the location of their streets while counties do not have this ability. That is the reason why the Commission did not recommend a basic change in the procedure, only a more realistic reimbursement scheme.

During the course of the debate accompanying this study and the ensuing legislation, there has been some concern that a disproportionate amount of fiscal benefit would accrue to affluent urban areas, particularly in Northern Virginia, as a result of the recommendations. While there is no denying that a large absolute amount of additional funds would flow to that area, particularly Fairfax County, as a result of the new formulas, the Commission believes that the amount is not out of proportion to the economic status of the region.

What follows does not pretend to be a rigorous econometric analysis of the relative wealth of Northern Virginia. Even if the data were readily available, and it is not, this report would not be a proper place for such an analysis. It does suggest, however, that there are enough indications available to suggest that (1) Northern Virginia is not as well off as it seems at first blush because of the higher cost of living prevalent there and (2) its citizens bear a higher local tax burden than those in other parts of the state—a burden largely due to factors beyond the control of the relevant local governments.

The tables referred to in the following paragraphs are in the Appendix. They are gleaned from disparate sources, which are noted on each table.

Whenever one is comparing costs and taxes and expenditures for different localities, it is necessary to keep in mind the differing costs of living in each area. Unfortunately, no statewide relative price index has been constructed. However, there has been calculated such an index for the metropolitan areas, which is shown in Table 1. From this table it is obvious that the cost-of-living in Northern Virginia is significantly higher than in other portions of the state.

Table 2 shows the adjusted income per tax exemption for each county and city. The next table is a combination of Tables 1 and 2. It shows the gross income per exemption after adjusting by the relative price index. The fairly large differences between Northern Virginia and other areas in adjusted gross income are considerably narrowed when cost of living is taken into account. This observation is borne out by Table 4 which shows the monthly earnings of workers before and after adjustment for the difference in the cost of living.

Not only are the higher incomes of the citizens of Northern Virginia lessened by the higher cost of living in the area, they have a larger local tax burden as well. Table 5 shows the average effective true real property tax rate over a period of twenty years for each county and city. Two things are readily apparent from this table. First, the rural counties have a much lower tax rate than the cities. Second, the Northern Virginia jurisdictions generally have the highest effective tax

rates in the state. Table 6 analyzes the changes in the effective tax rate in the twenty-year span. Of the six Northern Virginia jurisdictions listed, five have increased the effective tax rate by 15¢ or more. Only one has reduced the effective tax rate, whereas the citizens of numerous rural counties, and some large cities in other areas of the State, have enjoyed significant reductions in the true tax rate. These higher tax rates result in Northern Virginia residents paying a higher percentage of their incomes as real estate taxes, as Table 7 illustrates. The same information is shown in Table 8, grouped by size and kind of jurisdiction. Again, the larger cities and the urban counties pay a higher percentage of their incomes as real estate taxes. (Incidentally, these tables indicate that for the State as a whole the real estate tax burden as a percentage of income has either decreased, or increased only slightly, over the years.)

The next item in the appendix is a reprint of an article discussing varying tax burdens. The discussion and the accompanying figures show the much higher tax bills levied by Northern Virginia jurisdictions.

The last item draws upon the previous one and is an analysis of the difference between the locality with the highest tax bill, Fairfax, and the county with the lowest, Buchanan. The difference can perhaps be explained by several factors: desire for more and better services by county residents, higher costs of government, less state aid proportionately, or need for services inherent to an urban area. As a rough measure of the desire for better services, the analysis uses staff ratios. Assuming localities will pay their employees what is generally considered a comparable salary for the area and because personnel costs are the single largest item in any program budget, average salaries are used as an indication of the relative cost of government. The calculation of the possible reduction in Fairfax's real estate tax rate because of possible savings is based on the amount of money which would be raised via a one-cent increase in the tax rate.

The analysis strongly indicates Fairfax County citizens pay much more in taxes, not because they want more government, but because their government costs proportionately more, their county receives less proportionate aid from the state and an urban county must furnish some services a rural county does not.

The question of State-local fiscal relationships is an intricate one that is being studied from several angles by the General Assembly this year. The Commission and the Joint Subcommittee feel that the recommendations we have made concerning state aid to localities are important steps towards eliminating the disparities now present in State funding mechanisms and are fair to all concerned.

Not specifically addressed by the Commission or Subcommittee this year has been the topic of annexation. This item is, of course, intimately related to the question of State-local and interlocal relationships which this report and the previous one addressed. Pending before the General Assembly is HB 603 which poses a solution to annexation problems in Virginia. We endorse the concepts of that legislation and urge the General Assembly to give it and the recommendations in this report careful consideration and to pass them.

Respectfully submitted,

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**Joint Subcommittee on Annexation:**

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### **Dissenting Statement of Virgil H. Goode, Jr.**

While I am in favor of helping localities to a greater degree in certain areas, including the towns and cities with their police force expenses, I cannot concur in this report. Each locality will be directly affected by this legislation, and the final report has just been done and each locality did not have the opportunity to respond. Also, in the dividing of the monies, the formulas are too complicated and the divisions not always equitable.



**Proposed Amendment to House Bill No. 599:**

*ARTICLE 10.*

*Law-Enforcement Expenditures.*

§ 14.1-84.1. *Localities to be reimbursed for law-enforcement expenditures.—The Commonwealth shall reimburse counties, cities and towns for expenditures for law-enforcement purposes pursuant to the terms of this article.*

§ 14.1-84.2. *Definitions.—For the purposes of this article the following definitions shall be applicable:*

A. *“Base year” shall mean the fiscal year ending June thirty, nineteen hundred seventy-six.*

B. *“Total law-enforcement expenditures” shall mean the annual average of the expenditures made by a county or city for the operation of the sheriff’s office and police department, where applicable, during the period beginning July one, nineteen hundred seventy-three and ending June thirty, nineteen hundred seventy-eight, as reported to the Auditor of Public Accounts. Such average shall not include any capital expenditures or expenditures made to enforce parking regulations.*

C. *“Local per capita cost” shall mean total law-enforcement expenditures per capita in a locality in the base year.*

D. *“Relative tax effort” for a county or city shall mean the reciprocal of the ratio of its average effective true tax rate for real property, as most recently determined by the State Department of Taxation, to such rate for the State as a whole.*

*Example: Assuming the following average effective true tax rates for real property in City A, County B and County C, and for the State as a whole, the relative tax effort for the localities would be determined as follows:*

	average effective	relative	
	true tax rates	tax effort	
	for real property		
	(per \$100)		Reciprocal
City A	\$1.48	$1.48/.90 = 1.6444$	$1/1.6444 = .60812$
County B	1.22	$1.22/.90 = 1.3556$	$1/1.3556 = .7377$
County C	.26	$.26/.90 = .2889$	$1/.2889 = 3.4614$
State	.90		

E. *“Relative fiscal capacity” for a county or city shall mean its per capita index of fiscal ability, as most recently determined for use in the distribution of basic school aid. Where the fiscal and demographic data used in determining the per capita index for a county have been reduced due to the existence within such county, or partly within such county, of a town constituting a separate school division, the per capita index for such county shall be recalculated to include the fiscal and demographic data attributed to the town, or to that portion of the town within such county*

F. *“Standardized indices” shall mean a locality’s relative fiscal capacity and relative tax effort subtracted by one and divided by the relevant standard deviation of the distribution of each index. The resultant amount shall be added to one to obtain the standardized value.*

*Example: Assuming the relative tax effort as determined above, and a standard deviation of .82355, the standardized relative tax effort shall be calculated as follows:*

$$\text{City A } .60812 - 1 = -0.3919 / .82355 = -0.4758 + 1 = 0.5242$$

$$\text{County B } .7377 - 1 = -0.2623 / .82355 = -0.3185 + 1 = 0.6185$$

$$\text{County C } .34614 - 1 = 2.4614 / .82355 = 2.9888 + 1 = 3.9888$$

*G. "Composite factor" for a county or city shall mean the average of its standardized relative fiscal ability and its standardized relative tax effort.*

*14.1-84.3. Determination of percentage support to be borne by state.—A. By July one of each odd-numbered year, the Department of Planning and Budget shall determine the composite factor for each county and city in Virginia as set forth in § 14.1-84.2 after excluding, for the purpose of this calculation, the highest and lowest composite factors, the Department shall calculate the average composite factor for the five localities with the next highest composite factors and the average for the five with the next lowest composite factors. The numerical difference between these two averages shall constitute the range of such factors and the average of the five composite factors next to the lowest shall constitute the lowest composite factor to be used in the calculation. Any county or city composite factor above the highest average or below the lowest average shall be regarded as being equal to the applicable average. The Department shall then calculate for each county and city the percentile for its composite factor within the range of such factors.*

*Example: Assuming the values for the composite factors of City A, County B, and County C; the values for the average of the five highest composite factors; and the five lowest composite factors given below, the percentile for the composite factors for the localities within the range of such factors would be calculated as follows:*

Composite factor	Calculation	Percentile of Composite factor
average of five highest composite factors	2.5152	
City A	.7105 $(.7105 - .6908) / 1.8244$	1
County B	1.8432 $(1.8432 - .6908) / 1.8244$	63
County C	1.6683 $(1.6683 - .6908) / 1.8244$	54
average of five lowest composite factors	.6908	
Range	1.8244	

*B. The local percentage of support for law-enforcement expenditures shall be not less than twenty percent and not more than fifty percent.*

*C. The local percentage shall be equal to:*

*1. The minimum percentage of local support; plus*

*2. The product of: the composite factor percentile and the range between the minimum required local support and the maximum required local support.*

*Example: Assuming the composite factor percentiles for City A, County B, and County C, determined in the previous example, the percentage of required local support would be calculated as follows:*

percentile ranking	calculation	local percent of support
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City A	1	.20 + (.01 X .30) =	20.3
County B	63	.20 + (.63 X .30) =	38.9
County C	54	.20 + (.54 X .30) =	36.2

*C. The state percentage of support shall be equal to the difference between one hundred per cent and the local percentage of support.*

*§ 14.1-84.4. Base figure for reimbursements.—A. For each year of a fiscal biennium, the State shall reimburse, on a monthly basis, each city and county an amount equal to the state percentage of each locality's total law-enforcement expenditures. Each year the total law-enforcement expenditures shall be increased by an amount equal to the increase in population from the base year, as estimated by the Tayloe Murphy Institute of the University of Virginia, multiplied by the local per capita cost. Such increased amount shall then be adjusted in accordance with any change in the Consumer Price Index since the base year, as reported by the U. S. Department of Labor Statistics. No adjustments shall be made for any population decrease, nor shall any county or city receive less from the State than it received in the fiscal year 1979-80.*

*B. The Comptroller shall ascertain that portion of a county or city's total law enforcement expenditure attributable to the sheriff's office, and shall allocate to the sheriff's office the local percentage of the total expenditures after the cost of living and population adjustments have been made.*

*C. For the biennium beginning July one, nineteen hundred eighty and ending June thirty, nineteen hundred eighty-two, the state reimbursement shall be equal to one-third of the amount calculated according to this article. For the biennium beginning July one, nineteen hundred eighty-two and ending June thirty, nineteen hundred eighty-four, the State reimbursement shall be equal to two-thirds of such amount. For each succeeding biennium, the State reimbursement shall be equal to the full amount as calculated in accordance with this article.*

*§ 14.1-84.5. Sharing of law-enforcement expenditures for towns.—Towns having a police department or employing a police chief or police officer shall be eligible to receive State funds for law-enforcement expenditures if they submit to the Auditor of Public Accounts reports of their expenses for such police department or police personnel in accordance with standards developed pursuant to § 2.1-64.24(o). Each town wishing to receive funds under the provisions of this article shall so notify the Comptroller who shall, after certifying the town's eligibility, notify the county of which the town is a part that the town is certified to receive State funds for reimbursement. After such certification, the law enforcement expenditures of the town shall be added to the total law enforcement expenditures of the county.*

*Each county shall, within ten days of the county's receipt of its monthly share of State funds for law-enforcement expenditures, pay to each certified town within its jurisdiction a percentage of the county's monthly share of State funds for law-enforcement expenditures, such percentage to be equal to the ratio of the town's population, as determined by the Department of Planning and Budget, to the total population of the county.*

*§ 14.1-84.6. Minimum training standards required.—The salary of any law-enforcement officer of any county, city or town who has not complied with the minimum training standards as provided in §§ 9-109 (2) (a) and 9-111.1 of this Code, unless such officer is granted exemption from the minimum training standards as provided in §§ 9-109.3 and 9-111, shall be deducted from the total law-enforcement expenditures of such county, city or town.*

2. That Article 9 of Chapter 1 of Title 14.1 is repealed.

3. That the provisions of §§ 14.1-84.4 through 14.1-84.6 shall not become effective until July one, nineteen hundred eighty.

**Table 1.**

**Relative Price Indices In Virginia Metropolitan Areas, 1977**

Charlottesville-Albemarle County.....	102
Lynchburg SMSA.....	94
Newport News-Hampton SMSA.....	97
Norfolk-Virginia Beach-Portsmouth SMSA (Virginia portion).....	99
Northern Virginia portion of the Washington D.C.-Md.-Va. SMSA.....	114
Petersburg-Colonial Heights-Hopewell SMSA.....	95
Richmond SMSA.....	101
Roanoke SMSA.....	97
Average for all areas.....	100

NOTE: All areas surveyed, except for the Charlottesville-Albemarle County area, were composed of Standard Metropolitan Statistical Areas and covered the following localities:

Lynchburg SMSA = Lynchburg city and Amherst, Appomattox, and Campbell Counties.

Newport News - Hampton SMSA = Hampton, Newport News, and Williamsburg Cities and Gloucester, James City and York Counties.

Norfolk-Virginia Beach-Portsmouth SMSA = Chesapeake, Norfolk, Portsmouth, Suffolk, and Virginia Beach cities; excludes North Carolina portion of this SMSA.

Northern Virginia SMSA = Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park cities and Arlington, Fairfax, Loudoun, and Prince William Counties; excludes Maryland and District of Columbia parts of the Washington Metropolitan Area.

Petersburg-Colonial Heights-Hopewell SMSA = Colonial Heights, Hopewell, and Petersburg cities and Dinwiddie and Prince George Counties.

Richmond SMSA = Richmond city and Charles City, Chesterfield, Goochland, Hanover, Henrico, and Powhatan Counties.

Roanoke SMSA = Roanoke and Salem cities and Botetourt, Craig and Roanoke Counties.

SOURCE: Eleanor G. May, "Relative Price Indices in Virginia Metropolitan Areas, 1977," Tayloe Murphy Institute, University of Virginia, 1977.

Table 2.  
Adjusted Gross Income Per Exemption, 1972 to 1976

	Amount (\$)					Index (Virginia = 100)				
	1972	1973	1974	1975	1976	1972	1973	1974	1975	1976
State <sup>a/</sup>	3,874	4,267	4,752	5,063	5,583	100	100	100	100	100
Counties	3,869	4,283	4,774	5,077	5,609	100	100	100	100	100
Accomack	2,985	3,424	3,760	3,867	4,173	77	80	79	76	75
Albemarle	4,093	4,667	5,105	5,382	5,954	106	109	107	106	107
Alleghany	2,984	3,245	3,526	3,768	4,197	77	76	74	74	75
Amelia	2,424	3,000	3,304	3,364	3,782	63	70	70	66	68
Amherst	3,104	3,444	3,721	3,852	4,361	80	81	78	76	78
Appomattox	2,856	3,207	3,424	3,609	4,106	74	75	72	71	74
Arlington	6,099	6,695	7,527	8,127	9,047	157	157	158	161	162
Augusta	3,135	3,529	3,833	4,028	4,547	81	83	81	80	81
Bath	2,671	3,031	3,185	3,347	3,881	69	71	67	66	70
Bedford	2,973	3,310	3,660	3,807 <sup>c/</sup>	4,291	77	78	77	75	77
Bland	2,477	2,786	2,893	3,116	3,642	64	65	61	62	65
Botetourt	3,105	3,571	3,879	4,133	4,555	80	84	82	82	82
Brunswick	2,545	2,982	3,280	3,291	3,689	66	70	69	65	66
Buchanan	2,795	3,123	3,087	3,411	3,328	72	73	107	107	95
Buckingham	2,366	2,625	2,779	2,990	3,334	61	62	58	59	60
Campbell	3,340	3,703	4,071	4,049 <sup>c/</sup>	4,503	86	87	86	80	81
Caroline	2,806	3,302	3,636	3,702	4,095	72	77	77	73	73
Carroll	2,556	2,854	3,005	3,032	3,483	66	69	63	60	62
Charles City	2,721	3,019	3,485	3,663	4,082	70	71	73	72	73
Charlotte	2,327	2,694	2,931	2,998	3,363	60	63	62	59	60
Chesterfield	4,099	4,487	5,025	5,392	5,912	106	105	106	106	106
Clarke	3,509	4,462	4,501	4,837	5,285	91	105	95	96	95
Craig	2,803	3,047	3,269	3,485	3,810	72	71	69	69	68
Culpeper	3,159	3,509	3,909	4,014	4,530	82	82	82	79	81
Cumberland	2,443	2,795	3,030	3,104	3,585	63	66	64	61	64
Dickenson	2,676	2,959	3,018	3,625	3,070	69	69	106	111	91
Dinwiddie	2,983	3,366	3,759	3,904	4,359	77	79	79	77	78
Essex	3,043	3,624	4,045	4,117	4,504	79	85	85	81	81
Fairfax	5,379	5,855	6,548	7,083	7,807	139	137	138	140	140
Fauquier	4,323	5,029	5,314	5,638	6,478	112	118	112	111	116
Floyd	2,632	2,978	3,091	3,200	3,721	68	70	65	63	67
Fluvanna	2,767	3,101	3,360	3,530	4,015	71	73	71	70	72
Franklin	2,943	3,325	3,570	3,629	4,193	76	78	75	72	75
Frederick	3,008	3,378	3,720	3,863	4,409	78	79	78	76	79
Giles	2,852	3,132	3,404	3,588	4,021	74	73	72	71	72
Gloucester	3,482	3,847	4,197	4,467	5,044	90	90	88	88	90
Goochland	3,742	4,037	4,466	4,748	5,369	97	95	94	94	96
Grayson	2,463	2,698	2,787	2,816	3,297	64	63	59	56	59
Greene	2,711	3,153	3,351	3,485	4,005	70	74	71	69	72
Greensville	2,536	2,977	3,138	3,194	3,652	65	70	66	63	65
Halifax	2,453	2,812	3,089	3,045	3,493	63	66	65	60	63
Hanover	3,787	4,258	4,679	4,975	5,435	98	100	98	98	97
Henrico	4,494	4,922	5,403	5,749	6,298	116	115	114	114	113
Henry	3,092	3,424	3,672	3,660	4,274	80	80	77	72	77
Highland	2,361	2,884	2,821	2,892	3,407	61	68	59	57	61
Isle of Wight	3,143	3,527	3,914	4,216	4,553	81	83	82	83	82
James City	3,568	4,017	4,407	4,668	5,239	92	94	93	92	94
King and Queen	2,787	3,385	3,811	3,842	4,287	72	79	80	76	77
King George	4,062	4,364	4,716	4,820	5,382	105	102	99	95	96
King William	3,352	3,937	4,253	4,459	4,989	87	92	90	88	89
Lancaster	3,283	3,682	4,097	4,371	4,976	85	86	86	86	89
Lee	2,425	2,696	3,542	3,859	4,291	63	63	75	76	77
Loudoun	4,359	4,845	5,273	5,748	6,399	113	114	111	114	115
Louisa	2,782	3,279	3,348	3,631	4,301	72	77	70	72	77
Lunenburg	2,667	3,023	3,242	3,330	3,593	69	71	68	66	64

Source: John L. Knapp, "Distribution of Virginia Adjusted Gross Income by Income Class, 1976," Tayloe Murphy Institute, University of Virginia, 1978.

Table 2. (Continued)

	Amount (\$)					Index (Virginia = 100)				
	1972	1973	1974	1975	1976	1972	1973	1974	1975	1976
<b>Counties (contd.)</b>										
Madison	2,753	3,080	3,286	3,453	3,869	71	72	69	68	69
Mathews	3,382	4,021	4,325	4,573	5,159	87	94	91	90	92
Mecklenburg	2,863	3,141	3,400	3,453	3,927	74	74	72	68	70
Middlesex	2,688	3,553	4,037	4,128	4,566	69	83	85	82	82
Montgomery	3,271	3,600	4,053	4,228	4,644	84	84	85	84	83
Nelson	2,584	2,911	3,161	3,295	3,727	67	68	67	65	67
New Kent	3,207	3,545	4,026	4,247	4,675	83	83	85	84	84
Northampton	2,624	3,165	3,572	3,589	3,977	68	74	75	71	71
Northumberland	3,027	3,527	4,016	4,086	4,565	78	83	85	81	82
Nottoway	3,013	3,388	3,678	3,777	4,121	78	79	77	75	74
Orange	3,665	4,116	4,437	4,460	5,110	95	96	93	88	92
Page	2,904	3,281	3,445	3,494	3,966	75	77	73	69	71
Patrick	2,651	2,992	3,157	3,241	3,735	68	70	66	64	67
Pittsylvania	2,640	3,048	3,340	3,311	3,766	68	71	70	65	67
Powhatan	3,088	3,513	3,947	4,199	4,622	80	82	83	83	83
Prince Edward	3,016	3,352	3,609	3,745	4,084	78	79	76	74	73
Prince George	3,237	3,733	4,236	4,559	4,949	84	87	89	90	89
Prince William	3,866	4,314	4,774	5,224 <sup>d/</sup>	5,768	100	101	100	103	103
Pulaski	2,955	3,234	3,515	3,582	3,979	76	76	74	71	71
Rappahannock	2,907	3,519	3,723	3,859	4,237	75	82	78	76	76
Richmond	2,911	3,371	3,919	3,973	4,476	75	79	82	78	80
Roanoke	3,895	4,265	4,681	5,006 <sup>e/</sup>	5,513	101	100	99	99	99
Rockbridge	2,748	3,109	3,295	3,420	3,855	71	73	69	68	69
Rockingham	2,976	3,343	3,606	3,747	4,266	77	78	76	74	76
Russell	2,687	2,952	3,579	4,020	4,313	69	69	75	79	77
Scott	2,730	3,055	3,493	3,653	3,989	70	72	74	72	71
Shenandoah	2,906	3,262	3,496	3,643	4,150	75	76	74	72	74
Smyth	2,677	2,897	3,287	3,351	3,699	69	68	69	66	66
Southampton	2,921	3,558	3,893	4,052	4,618	75	83	82	80	83
Spotsylvania	3,269	3,699	4,076	4,208	4,710	84	87	86	83	84
Stafford	3,619	4,043	4,412	4,593	5,143	93	95	93	91	92
Surry	2,683	3,123	3,524	3,712	3,938	69	73	74	73	71
Sussex	2,743	3,446	3,709	3,806	4,120	71	81	78	75	74
Tazewell	3,086	3,393	4,024	4,663	5,054	80	80	85	92	91
Warren	3,259	3,618	3,904	4,147	4,684	84	85	82	82	84
Washington	2,758	2,991	3,393 <sup>e/</sup>	3,552	4,021	71	70	71	70	72
Westmoreland	2,832	3,181	3,679	3,720	4,200	73	75	77	73	75
Wise	2,884	3,191	3,089	3,063	3,101	74	75	107	100	91
Wythe	2,745	3,076	3,363	3,484 <sup>d/</sup>	3,973	71	72	71	69	71
York	3,921	4,225	4,651	5,028 <sup>d/</sup>	5,471	101	99	98	99	98
<b>Cities</b>	<b>3,880</b>	<b>4,241</b>	<b>4,674</b>	<b>4,998</b>	<b>5,501</b>	<b>100</b>	<b>99</b>	<b>98</b>	<b>99</b>	<b>99</b>
Alexandria	5,421	5,891	6,716	7,399	8,127	140	138	141	146	146
Bedford	3,527	3,739	4,154	4,310	4,871	91	88	87	85	87
Bristol	3,264	3,638	4,024 <sup>e/</sup>	4,364	4,764	84	85	85	86	85
Buena Vista	2,891	3,218	3,373	3,426	3,987	75	75	71	68	71
Charlottesville	3,945	4,247	4,924	5,152	5,614	102	100	104	102	101
Chesapeake	3,345	3,677	4,056	4,311	4,808	86	86	85	85	86
Clifton Forge	3,358	3,643	4,046	4,300	4,893	87	85	85	85	88
Colonial Heights	3,970	4,333	4,833	5,200	5,680	102	102	102	103	102
Covington	3,098	3,318	3,631	3,901	4,409	80	78	76	77	79
Danville	3,375	3,770	4,147	4,225	4,773	87	88	87	83	85
Emporia	3,542	3,827	4,108	4,229	4,658	91	90	86	84	83
Fairfax	4,890	5,507	5,971	6,592	7,038	126	129	126	130	126
Falls Church	5,125	5,545	6,544	7,042	7,938	132	130	138	139	142
Franklin	3,685	4,077	4,522	4,687	5,377	95	96	95	93	96
Fredericksburg	4,253	4,676	5,162	5,563	6,071	110	110	109	110	109

Table 2. (Continued)

	Amount (\$)					Index (Virginia = 100)				
	1972	1973	1974	1975	1976	1972	1973	1974	1975	1976
<b>Cities (contd.)</b>										
Galax	3,285	3,612	3,680	3,684	4,264	85	85	77	73	76
Hampton	3,680	3,924	4,325	4,643	5,059	95	92	91	92	91
Harrisonburg	3,887	4,245	4,653	4,791	5,407	100	99	98	95	97
Hopewell	3,509	3,817	4,228	4,539	5,030	91	89	89	90	90
Lexington	3,370	4,211	4,561	4,784	5,229	87	99	96	94	94
Lynchburg	3,852	4,234	4,589	4,858 <sup>c/</sup>	5,376	99	99	97	96	96
Manassas				5,295 <sup>d/</sup>	5,783				105	104
Manassas Park				3,827 <sup>d/</sup>	4,313				76	77
Martinsville	3,811	4,062	4,141	4,475	5,177	98	95	93	88	93
Newport News	3,854	4,147	4,556	4,863	5,245	99	97	96	96	94
Norfolk	3,692	4,050	4,417	4,745	5,190	95	95	93	94	93
Norton	3,374	3,667	4,205	4,722	5,161	87	86	88	93	92
Petersburg	3,529	3,935	4,343	4,634	5,066	91	92	91	92	91
Portsmouth	3,392	3,699	4,071	4,351 <sup>d/</sup>	4,848	88	87	86	86	87
Poquoson				4,782 <sup>d/</sup>	5,320				94	95
Radford	3,707	4,000	4,450	4,603	5,116	96	94	94	91	92
Richmond	4,158	4,549	4,966	5,319	5,804	107	107	105	105	104
Roanoke	3,742	4,084	4,417	4,642 <sup>c/</sup>	5,159	97	96	93	92	92
Salem	3,789	4,160	4,730	4,925	5,339	98	97	100	97	96
South Boston	3,414	3,720	4,072	4,220	4,779	88	87	86	83	86
Staunton	3,832	4,211	4,590	4,739	5,261	99	99	97	94	94
Suffolk	3,114	3,528	3,880	4,199	4,607	80	83	82	83	83
Virginia Beach	3,971	4,367	4,841	5,249	5,751	103	102	102	104	103
Waynesboro	3,628	4,040	4,489	4,615	5,119	94	95	94	91	92
Williamsburg	4,336	4,807	5,480	5,629	6,218	112	113	115	111	111
Winchester	3,873	4,281	4,790	4,994	5,637	100	100	101	99	101

a/ Includes returns unassigned to geographic areas because the proper city or county could not be ascertained or because the returns were filed by nonresidents.

b/ Included the former Nansemond County/City.

c/ Significant annexation causes data for year shown to be not entirely comparable with data for earlier years.

d/ Manassas and Manassas Park were formerly towns in Prince William County and Poquoson was a town in York County. The Prince William and York figures for 1975 are not comparable with those for earlier years because of these changes

Table 3.

AVERAGE 1976 ADJUSTED GROSS INCOME PER EXEMPTION FOR VIRGINIA METROPOLITAN AREAS  
AS AFFECTED BY THE COST OF LIVING

<u>Area</u>	<u>AGI per Exemption<sup>1</sup></u>	<u>Relative Price Index<sup>2</sup></u>	<u>AGI per Exemption adjusted by Relative Price Index</u>
Charlottesville-Albemarle County	\$5,796.57	101	\$5,739.18
Lynchburg SMSA (includes city of Lynchburg and counties of Amherst, Appomattox and Campbell)	4,837.59	94	5,146.37
Newport News-Hampton SMSA (includes cities of Hampton, Newport News and Williamsburg and counties of Gloucester, James City and York)	5,213.55	95	5,487.95
Norfolk-Virginia Beach-Portsmouth SMSA (includes cities of Chesapeake, Norfolk, Portsmouth, Suffolk and Virginia Beach; excludes North Carolina portion of SMSA)	5,114.46	101	5,063.82
Northern Virginia portion of the Washington, D.C.-Md.-Va. SMSA (includes cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park and counties of Arlington, Fairfax, Loudoun and Prince William; excludes Md. and D.C. parts of the SMSA)	7,661.92	118	6,493.15
Petersburg-Colonial Heights-Hopewell SMSA (includes cities of Colonial Heights, Hopewell and Petersburg and counties Dinwiddie and Prince George)	5,023.57	93	5,401.69
Richmond SMSA (includes city of Richmond and counties of Charles City, Chesterfield, Goochland, Hanover, Henrico and Powhatan)	5,901.32	103	5,729.44



AVERAGE 1976 ADJUSTED GROSS INCOME PER EXEMPTION FOR VIRGINIA METROPOLITAN AREAS  
AS AFFECTED BY THE COST OF LIVING (continued)

Area	<u>AGI per Exemption<sup>1</sup></u>	<u>Relative Price Index<sup>2</sup></u>	<u>AGI per Exemption adjusted by Relative Price Index</u>
Roanoke SMSA (includes cities of Roanoke and Salem and counties of Botetourt, Craig and Roanoke)	\$5,214.43	93	\$5,606.91

Range of AGI per exemption: \$7,661.92 to \$4,837.59

Range of AGI per exemption  
adjusted by Relative Price Index: \$6,493.15 to \$5,063.82

<sup>1</sup>"Distribution of Virginia Adjusted Gross Income by Income Class, 1976" by John L. Knapp, Tayloe Murphy Institute, University of Virginia, May 1978. Figures derived by combining and weighting data shown in Tables 1 and 4 for jurisdictions in the respective SMSAs. AGI per exemption approximates a per capita measure of gross income.

<sup>2</sup>"Cost of Living in Virginia Metropolitan Areas, 1976" by Eleanor G. May, Tayloe Murphy Institute, University of Virginia, December 1976.

Source: Institute of Government, University of Virginia, 1978.

Table 4.

AVERAGE, ADJUSTED MONTHLY EARNINGS FOR FULL-TIME LOCAL GOVERNMENT EMPLOYEES IN VIRGINIA  
METROPOLITAN AREAS, 1972

Area	Unadjusted Earnings <sup>1</sup>		Relative Price Index <sup>2</sup>	Adjusted Earnings	
	Teachers	All Others		Teachers	All Others
Charlottesville-Albemarle County	\$821.93	\$450.85	103	\$797.99	\$437.72
Lynchburg SMSA (includes city of Lynchburg and counties of Amherst, Appomattox and Campbell)	793.41	642.31	96	826.47	669.07
Newport News-Hampton SMSA (includes cities of Hampton, Newport News and Williamsburg and counties of Gloucester, James City and York)	785.06	603.55	97	809.34	622.21
Norfolk-Virginia Beach-Portsmouth SMSA (includes cities of Chesapeake, Norfolk, Portsmouth, Suffolk and Virginia Beach; excludes North Carolina portion of SMSA)	847.44	538.66	101	839.05	533.33
Northern Virginia portion of the Washington, D.C.-Md.-Va. SMSA (includes cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park and counties of Arlington, Fairfax, Loudoun and Prince William; excludes Md. and D.C. parts of the SMSA)	1,047.97	755.23	115	911.28	656.72
Petersburg-Colonial Heights-Hopewell SMSA (includes cities of Colonial Heights, Hopewell and Petersburg and counties of Dinwiddie and Prince George)	810.91	486.33	94	862.67	517.37
Richmond SMSA (includes city of Richmond and counties of Charles City, Chesterfield, Goochland, Hanover, Henrico and Powhatan)	860.12	624.44	100	860.12	624.44

AVERAGE, ADJUSTED MONTHLY EARNINGS FOR FULL-TIME LOCAL GOVERNMENT EMPLOYEES IN VIRGINIA  
METROPOLITAN AREAS, 1972 (continued)

Area	<u>Unadjusted Earnings</u> <sup>1</sup>		Relative Price Index <sup>2</sup>	<u>Adjusted Earnings</u>	
	Teachers	All Others		Teachers	All Others
Roanoke SMSA (includes cities of Roanoke and Salem and counties of Botetourt, Craig and Roanoke)	\$788.77	\$540.47	95	\$829.86	\$568.92

Range of Unadjusted Monthly Earnings -  
 Teachers: \$1,047.97 to \$785.06  
 All Others: \$755.23 to \$450.85

Range of Adjusted Monthly Earnings -  
 Teachers: \$911.28 to \$797.99  
 All Others: \$669.07 to \$437.72

Compiled from data contained in Table 17, Local Government Employment and Payrolls for Individual County Areas: October 1972, Vol. 3, Number 2 Compendium of Public Employment, Census of Governments, 1972.

<sup>2</sup>"Cost of Living in Virginia Metropolitan Areas, 1975" by Eleanor G. May and Raoul J. Kister, Tayloe Murphy Institute, University of Virginia, January 1976.

Source: Institute of Government, University of Virginia, 1978.

Table 5.

## AVERAGE EFFECTIVE TRUE REAL PROPERTY TAX RATES IN VIRGINIA COUNTIES AND CITIES, 1956 - 1976

(Data obtained from Department of Taxation annual "Virginia Assessment Sales Ratio Study")

COUNTY	1976	1975	1974	1973	1971	1970	1968	1966	1964	1962	1956
Accomack	\$0.31	\$0.39	\$0.36	\$0.40	\$ 0.55	\$ 0.59	\$ 0.62	\$ 0.67	\$ 0.87	\$ 0.65	\$ 0.63
Albemarle	.63	.64	.64	.45	.72	.78	.66	.61	.57	.46	.49
Alleghany	.67	.58	.60	.73	.79	.90	.81	.75	.91	.77	.65
Amelia	.30	.26	.31	.32	.32	.46	.49	.64	.73	.72	.59
Amherst	.43	.38	.40	.41	.38	.45	.52	.57	.42	.47	.53
Appomattox	.53	.53	.55	.48	.48	.53	.72	.56	.57	.57	.58
Arlington	1.40	1.34	1.25	1.11	1.32	1.37	1.31	1.31	1.31	1.23	1.12
Augusta	.44	.44	.48	.54	.67	.67	.71	.79	.70	.73	.45
Bath	.54	.43	.43	.44	.70	.76	.82	.60	.75	.90	.69
Bedford	.50	.48	.49	.50	.47	.55	.54	.57	.57	.60	.46
Bland	.25	.32	.35	.30	.31	.47	.55	.64	.63	.64	.67
Botetourt	.64	.60	.63	.47	.55	.67	.54	.67	.82	.67	.41
Brunswick	.44	.40	.42	.53	.54	.65	.55	.56	.66	.53	.59
Buchanan	.25	.20	.26	.37	.52	.56	.59	.71	.65	.39	.45
Buckingham	.28	.26	.24	.31	.27	.32	.47	.47	.51	.62	.58
Campbell	.57	.57	.54	.58	.51	.67	.64	.62	.72	.65	.62
Caroline	.46	.35	.40	.36	.40	.57	.55	.53	.50	.54	.39
Carroll	.60	.54	.48	.51	.49	.58	.46	.51	.50	.43	.39
Charles City	.52	.45	.44	.44	.51	.63	.72	.77	.82	.76	.84
Charlotte	.32	.39	.37	.43	.43	.50	.52	.42	.49	.46	.42
Chesterfield	.93	.83	.78	.77	.86	.91	.94	.90	.90	.81	.70
Clarke	.44	.45	.42	.44	.58	.74	.51	.46	.40	.38	.53
Craig	.47	.53	.44	.38	.61	.62	.51	.58	.60	.65	.60
Culpeper	.57	.55	.55	.37	.50	.57	.59	.51	.48	.41	.49
Cumberland	.29	.27	.26	.28	.39	.46	.52	.58	.65	.68	.52
Dickenson	.37	.43	.44	.60	.51	.75	.59	.64	.74	.69	.62
Dinwiddie	.49	.48	.51	.45	.59	.60	.63	.57	.57	.49	.40
Essex	.34	.29	.31	.31	.43	.51	.48	.54	.60	.66	.59
Fairfax	1.46	1.22	1.22	1.31	1.41	1.53	1.45	1.45	1.32	1.14	1.00
Fauquier	.42	.39	.41	.41	.42	.47	.40	.46	.45	.43	.35

COUNTY	<u>1976</u>	<u>1975</u>	<u>1974</u>	<u>1973</u>	<u>1971</u>		1968	<u>1966</u>	1964	<u>1962</u>	1956
Floyd	\$ .29	\$ .29	\$ .30	\$ .32	\$ .50	\$ .74	\$ .79	\$ .80	\$ .90	\$ .90	\$ .77
Flovanna	.33	.35	.42	.38	.38	.47	.49	.42	.44	.43	.36
Franklin	.40	.40	.41	.41	.47	.52	.59	.60	.55	.67	.50
Fredcrick	.45	.45	.52	.46	.57	.49	.55	.49	.47	.43	.44
Giles	.37	.36	.47	.50	.52	.58	.59	.45	.50	.47	.34
Gloucester	.50	.53	.56	.50	.48	.57	.64	.46	.64	.59	.53
Goochland	.47	.40	.42	.50	.60	.59	.56	.55	.59	.56	.49
Grayson	.40	.39	.35	.24	.34	.48	.47	.46	.43	.46	.38
Greene	.41	.45	.63	.68	.61	.69	.46	.47	.51	.48	.54
Greensville	.34	.34	.40	.40	.41	.52	.54	.71	.64	.45	.55
Halifax	.36	.38	.40	.29	.44	.48	.50	.50	.53	.49	.45
Hanover	.50	.50	.51	.44	.59	.66	.62	.62	.82	.62	.37
Henrico	.75	.76	.86	.91	1.00	1.00	.91	.84	.90	.87	.79
Henry	.46	.49	.52	.55	.56	.66	.52	.59	.52	.48	.39
Highland	.34	.37	.23	.25	.54	.68	.65	.57	.79	.64	.83
Isle of Wight	.38	.33	.35	.40	.48	.62	.64	.65	.64	.64	.51
James City	.79	.72	.68	.70	.98	.99	.92	.61	.71	.62	.68
King George	.50	.53	.64	.54	.71	.89	.70	.64	.53	.56	.58
King & Queen	.54	.51	.52	.37	.53	.53	.85	.65	.92	.75	.56
King William	.55(1)	.43(1)	.49(1)	.51(1)	.51(1)	.53(1)	.57(1)	.60(1)	.61(1)	.38(1)	.29(1)
Lancaster	.27	.31	.31	.42	.42	.52	.52	.45	.50	.46	.34
Lee	.36	.49	.51	.71	.73	.83	.76	.92	.85	.82	.50
Loudoun	.82	.62	.70	.85	.73	.73	.78	.73	.85	.40	.37
Louisa	.22	.24	.27	.33	.43	.40	.47	.51	.44	.40	.34
Lunenburg	.41	.42	.39	.48	.60	.58	.57	.56	.63	.41	.52
Madison	.40	.44	.44	.35	.43	.50	.71	.44	.57	.65	.62
Mathews	.38	.40	.34	.40	.58	.66	.75	.51	.56	.48	.55
Mecklenburg	.35	.38	.43	.41	.45	.54	.51	.53	.58	.56	.57
Middlesex	.29	.29	.33	.38	.40	.60	.61	.69	.73	.69	.40
Montgomery	.83	.89	.91	.95	.57	.73	.59	.60	.63	.63	.45

(1) Applies only to real estate outside the Town of West Point.

COUNTY	1976	1975	1974	1973	1971	1970	1968	1966	1964	1962	1957
Nelson	.46	\$.34	\$.32	\$.43	\$.34	\$.47	\$.46	\$.59	\$.53	\$.52	\$.70
New Kent	.58	.55	.59	.48	.61	.56	.69	.46	.57	.49	.41
Northampton	.61(2)	.51(2)	.55(2)	.69(2)	.65(2)	.68(2)	.59(2)	.74(2)	1.01(2)	.93(2)	.77
Northumberland	.48	.33	.33	.35	.54	.67	.72	.53	.59	.56	.56
Nottoway	.48	.66	.61	.62	.69	.77	.86	.69	.69	.79	.64
Orange	.49	.54	.54	.64	.70	.69	.61	.61	.47	.52	.45
Page	.44	.37	.42	.39	.45	.61	.66	.59	.61	.68	.47
Patrick	.43	.42	.42	.31	.43	.54	.43	.38	.51	.60	.47
Pittsylvania	.45	.50	.51	.57	.73	.54	.59	.68	.50	.50	.41
Powhatan	.58	.58	.58	.58	.80	.86	.62	.76	.64	.52	.59
Prince Edward	.33	.29	.32	.35	.29	.29	.27	.34	.34	.14	.50
Prince George	.55	.57	.58	.58	.70	.77	.80	.67	.71	.69	.62
Prince William	1.33	1.16	1.03	1.06	1.16	1.28	.97	.85	.81	.69	.61
Pulaski	.46	.48	.55	.65	.56	.81	.59	.59	.57	.68	.46
Rappahannock	.26	.27	.24	.27	.32	.43	.45	.44	.47	.40	.60
Richmond	.36	.40	.39	.49	.55	.67	.90	.71	.63	.61	.71
Roanoke	.89	.83	.67	.73	.90	.85	.87	.84	.81	.74	.59
Rockbridge	.47	.50	.54	.54	.67	.78	.82	.66	.67	.63	.42
Rockingham	.41	.39	.41	.48	.47	.51	.59	.68	.59	.61	.50
Russell	.53	.50	.51	.65	.61	.63	.54	.57	.41	.39	.50
Scott	.68	.59	.61	.43	.61	.59	.67	.77	.72	.80	.42
Shenandoah	.33	.35	.39	.42	.37	.42	.47	.46	.48	.38	.42
Smyth	.39	.44	.45	.44	.49	.59	.62	.53	.46	.45	.31
Southampton	.46	.52	.57	.63	.63	.56	.51	.50	.45	.48	.50
Spotsylvania	.59	.59	.65	.64	.77	.76	.78	.81	.81	.76	.53
Stafford	.68	.70	.77	.70	.87	1.06	.83	.75	.69	.42	.58
Surry	.25	.18	.24	.18	.24	.30	.31	.33	.37	.44	.54
Sussex	.35	.26	.29	.45	.48	.59	.57	.62	.65	.58	.55
Tazewell	.46	.48	.51	.53	.71	.87	.64	.66	.65	.72	.61
Warren	.38	.30	.34	.31	.39	.54	.40	.40	.50	.45	.41

(2) Applies only to real estate outside the Town of Cape Charles.

<u>COUNTY</u>		<u>1975</u>	<u>1974</u>	<u>1973</u>	<u>1971</u>	<u>1970</u>	1968	1966	<u>1964</u>	1962	1956
Washington	\$ .50	\$ .53	\$ .53	\$ .40	\$ .68	\$ .74	\$ .67	\$ .50	\$ .56	\$ .58	\$ .42
Westmoreland	.53	.59	.63	.68	.82	.82	.85	.80	.83	.87	.49
West	.36	.39	.44	.53	.87	.77	.82	.97	.99	.85	.66
Richmond	.41	.42	.43	.45	.60	.63	.65	.69	.69	.68	.56
York	.61	.65	.66(3)	.72(3)	.75(3)	.85(3)	.74(3)	.64(3)	.62(3)	.46(3)	.61
<u>CITY</u>											
Alexandria	1.47	1.48	1.45	1.60	1.73	1.62	1.38	1.34	1.37	1.37	.95
Bedford	.59	.73	.50	.56	.69	.56	-	-	-	-	-
Blacksburg	1.06	1.18	1.05	1.20	1.33	1.27	1.07	1.07	.83	.87	.63
Cheney Vista	.97	.94	.98	1.00	1.16	1.17	1.21	1.27	1.40	1.11	.63
Charlottesville	1.23	1.17	.85	.92	1.07	1.20	1.09	.98	1.04	.96	.77
Chesapeake	1.21	1.16	1.16	1.22	1.56	1.21	.91	.86	.88		
Clifton Forge	1.44	1.17	1.01	1.20	1.27	1.21	1.14	1.17	1.06	1.10	1.31
Colonial Heights	1.06	1.03	.85	.98	1.13	1.16	1.24	1.23	1.36	1.02	.76
Connington	.65	.74	.83	.84	1.05	1.00	1.04	1.02	1.12	1.09	.83
Danville	.64	.67	.71	.77	.90	.95	.96	.94	.94	.92	.75
Emporia	.74	.73	.56	.55	.75	.80					
Fairfax	1.62	1.51	1.19	1.36	1.60	1.65	1.70	1.52	1.34	1.17	1.17
Falls Church	1.10	1.05	.89	.97	1.32	1.27	1.37	1.36	1.34	1.43	1.17
Franklin	.92	.78	.92	1.01	1.07	1.09	.91	.66	.65	.71	.83
Fredericksburg	.98	1.00	.80	.86	1.12	1.02	1.09	.88	.90	.85	.63
Galax	.75	.67	.68	.63	.82	.94	.79	.75	.81	.75	.85
Hampton	1.43	1.50	1.26	1.29	1.34	1.38	1.27	.75	.81	.75	.85
Harrisonburg	.65	.71	.61	.66	.85	.94	.91	1.07	1.05	1.00	.80
Hopewell	.99	1.06	.95	.95	.95	.94	.91	.87	.97	.94	.72
Lexington	.74	.67	.70	.77	1.11	1.19	1.19	1.24	1.03	.98	.98
					.93	1.03	1.03	.93			

3) Applies only to real estate outside the Town of Buquoson.

<u>CITY</u>	<u>1976</u>	<u>1975</u>	<u>1974</u>	<u>1973</u>	<u>1971</u>	<u>1970</u>	<u>1968</u>	<u>1966</u>	<u>1964</u>	<u>1962</u>	<u>1950</u>
Lynchburg	\$1.19	\$1.25	\$1.05	\$1.07	\$1.25	\$1.34	\$1.40	\$1.41	\$1.38	\$1.28	\$1.26
Manassas	1.71	--	--	--	--	--	--	--	--	--	--
Manassas Park	1.87	--	--	--	--	--	--	--	--	--	--
Martinsville	.96	.91	.85	.92	.99	.97	.90	.92	.85	.83	.81
Newport News	1.22	1.18	.73	1.15	1.75	1.39	1.30	1.02	1.03	.96	.94
Norfolk	1.20	1.16	1.14	1.21	1.37	1.29	1.26	1.23	1.26	1.29	1.23
Norton	.64	.53	.62	.74	.99	.92	1.00	1.01	1.00	.85	.92
Petersburg	1.43	1.29	1.38	1.48	1.62	1.66	1.45	1.27	1.37	1.35	1.10
Poquoson	.69	--	--	--	--	--	--	--	--	--	--
Portsmouth	1.25	1.33	1.28	1.18	1.40	1.55	1.51	1.32	1.43	1.06	1.06
Radford	.90	.94	.80	.85	1.02	.87	.85	.83	.85	.87	.72
Richmond	1.56	1.48	1.43	1.65	1.76	1.77 (4)	1.65	1.59	1.61	1.59	1.52
Roanoke	1.01	1.14	1.12	1.08	1.38	1.38	1.41	1.35	1.39	1.02	.91
Salem	1.13	1.11	.82	.89	1.13	.95	1.21	--	--	--	--
South Boston	.86	.87	.84	.93	1.06	.91	.81	.74	.78	.83	--
Staunton	.71	.76	.80	.82	.83	.97	1.00	.92	.94	.95	.62
Suffolk	.77	.64	.66	1.23	1.58	1.50	1.35	1.32	1.33	1.06	1.00
Virginia Beach	.77	.78	.67	.71	.86	.98	1.08	.73	.71	1.11	.86
Waynesboro	.90	.84	.78	.85	1.02	1.11	1.00	.93	.98	.82	.75
Williamsburg	.58	.54	.56	.64	.75	.94	.97	.88	.85	.95	.69
Winchester	.99	1.02	.86	.82	1.06	.92	.92	.84	.84	.82	.67
VIRGINIA AVERAGE	\$0.94	\$0.90	\$0.87	\$0.92	\$1.06	\$1.09	\$1.05	\$1.00	\$ .94	\$ .92	N/A

(4) Applies only to real estate exclusive of annexed area.

Institute of Government  
6/19/78

Source: Institute of Government, University of Virginia, 1978.





Table 7.

## REAL ESTATE TAXES AS A PERCENTAGE OF INCOME\*

Locality.	1976	1975	1974	1973	1971	1970	1968	1966	1964
ALEXANDRIA	3.50	3.72	3.65	3.85	3.98	3.61	3.43	3.28	3.05
BEDFORD CITY	1.96	2.53	1.68	1.71	1.84	1.30	0.00	0.00	0.00
BRISTOL	1.62	1.81	1.61	1.25	2.03	1.82	1.49	2.51	2.16
BUENA VISTA	2.54	2.97	2.50	2.47	2.80	2.53	2.53	2.72	3.01
CHARLOTTESVILLE	3.21	3.28	2.52	2.78	3.00	2.96	2.62	2.47	2.64
CHESAPEAKE	3.23	3.31	3.13	3.03	2.98	2.70	1.88	1.86	1.97
CLIFTON FORGE	2.43	2.21	1.79	1.93	2.13	1.96	2.17	2.26	2.41
COLONIAL HEIGHTS	2.45	2.40	1.87	2.02	2.22	2.00	2.27	2.29	1.99
COVINGTON	2.25	2.50	2.40	2.43	2.50	2.31	2.50	2.51	2.62
DANVILLE	1.38	1.54	1.45	1.57	1.89	1.64	1.78	2.11	2.38
EMPORIA	1.66	1.73	1.35	1.44	1.54	1.56	1.60	0.00	0.00
FAIRFAX CITY	5.57	5.23	4.58	4.93	4.66	4.50	4.65	4.83	3.70
FALLS CHURCH	2.16	2.12	2.15	1.98	3.53	3.35	3.78	3.56	3.72
FRANKLIN CITY	1.88	2.07	1.77	1.82	2.06	1.91	1.75	1.35	1.55
FREDERICKSBURG	2.80	3.03	2.39	2.36	2.73	2.33	2.56	2.24	2.19
GALAX	2.17	2.51	1.88	1.84	2.14	2.23	1.98	2.40	2.82
HAMPTON	3.56	3.90	3.28	3.24	3.02	2.86	2.73	2.43	2.22
HARRISONBURG	2.23	2.53	2.12	2.13	2.41	2.29	2.58	2.67	2.86
HOPEWELL	2.38	2.55	2.30	2.19	2.51	2.40	2.25	2.52	2.32
LEXINGTON	1.94	2.17	1.95	2.08	2.39	2.24	2.31	2.24	0.00
LYNCHBURG	2.81	2.55	2.66	2.74	2.65	2.61	2.65	2.82	3.00
MANASSAS	5.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MANASSAS PARK	4.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARTINSVILLE	2.27	2.64	2.13	2.15	2.43	2.25	2.01	2.14	1.95
NEWPORT NEWS	3.75	3.50	3.42	3.31	3.72	3.31	3.02	2.56	2.35
NORFOLK	3.01	3.19	3.07	3.20	3.59	3.11	2.86	3.14	3.15
NORTON	1.44	1.25	1.27	1.47	1.78	1.42	1.84	1.87	1.99
PETERSBURG	3.22	3.45	3.11	3.34	2.72	3.21	3.08	2.84	2.94
POQUOSON	1.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PORTSMOUTH	3.40	3.11	3.16	2.60	2.81	2.55	2.44	2.52	2.64
RADFORD	1.99	2.24	1.70	1.86	2.06	1.63	1.44	1.47	1.62

REAL ESTATE TAXES AS A PERCENTAGE OF INCOME

Locality	1976	1975	1974	1973	1971	1970	1968	1966	1964
RICHMOND CITY	3.92	4.02	3.80	3.82	4.12	3.44	3.69	3.69	3.78
ROANOKE CITY	2.86	2.24	2.38	2.37	2.58	2.59	2.71	3.07	3.32
SALEM	3.18	3.33	2.52	2.76	2.89	2.15	2.46	0.00	0.00
SOUTH BOSTON	2.05	2.25	1.94	2.10	2.35	1.79	1.62	1.69	1.62
STAUNTON	1.77	1.94	1.94	1.96	1.85	1.86	2.08	1.92	2.08
SUFFOLK	2.15	1.93	1.98	0.74	3.61	3.78	3.46	3.76	4.09
VIRGINIA BEACH	2.44	2.55	2.32	2.55	2.74	2.93	2.95	2.16	2.24
WAYNESBORO	2.55	2.50	2.18	2.27	2.58	2.58	2.48	2.25	2.41
WILLIAMSBURG	2.96	3.30	3.20	3.17	3.64	3.55	3.96	3.89	4.10
WINCHESTER	2.90	3.30	2.86	2.71	3.00	1.65	2.46	2.31	2.41
ACCOMACK	1.35	1.41	1.38	1.45	1.72	1.79	1.83	2.17	2.38
ALBEMARLE	2.27	2.55	2.26	1.87	2.32	2.30	1.97	1.44	1.57
ALLEGHANY	1.75	1.51	1.66	1.69	1.88	1.90	1.85	1.86	2.12
AMELIA	1.57	1.40	1.35	1.48	1.61	1.79	2.01	2.35	3.01
AMHERST	1.18	1.07	1.05	1.08	0.88	0.90	1.02	1.15	1.00
APPOMATTOX	1.76	1.94	1.84	1.59	1.33	1.37	1.60	1.30	1.51
ARLINGTON	3.62	3.61	3.51	3.25	3.20	3.16	3.07	3.35	2.94
AUGUSTA	1.46	1.61	1.58	1.69	1.97	1.67	1.89	2.05	2.05
BATH	2.82	2.57	2.74	2.84	2.73	2.97	2.81	2.42	2.74
BEDFORD COUNTY	1.59	1.69	1.57	1.68	1.45	1.34	1.76	1.53	1.44
BLAND	0.93	1.10	1.12	1.05	1.21	1.26	1.36	1.73	2.07
BOTETOURT	2.03	1.95	2.01	1.42	1.63	1.75	1.59	1.90	2.63
BRUNSWICK	1.84	1.82	1.71	1.82	2.01	2.09	2.01	2.37	2.74
BUCHANAN	0.85	0.84	0.87	1.54	1.83	1.80	2.36	2.94	1.69
BUCKINGHAM	2.09	2.03	1.79	1.89	1.35	1.41	1.74	1.91	1.90
CAMPBELL	1.29	1.87	1.31	1.40	1.12	1.17	1.23	1.34	1.53
CAROLINE	2.32	1.69	1.56	1.58	1.84	1.97	1.77	1.59	1.52
CARROLL	1.76	1.79	1.70	1.85	1.26	1.22	1.06	1.25	1.46
CHARLES CITY	2.65	2.04	2.09	1.58	1.71	1.84	2.29	2.29	2.77
CHARLOTTE	1.59	1.80	1.79	1.59	1.67	1.63	1.66	1.52	1.89

REAL ESTATE TAXES AS A PERCENTAGE OF INCOME

Locality	1976	1975	1974	1973	1971	1970	1968	1966	1964
CHESTERFIELD	2.36	2.10	2.00	1.95	1.94	1.98	1.84	1.80	1.87
CLARKE	2.07	2.16	2.36	1.76	2.37	2.63	2.16	1.66	1.54
CRAIG	2.02	2.29	1.66	1.28	1.62	1.65	1.13	1.35	1.58
CULPEPER	2.56	2.84	2.83	1.71	2.06	2.15	2.41	1.73	1.71
CUMBERLAND	1.45	1.19	1.15	1.22	1.45	1.44	1.75	2.13	2.75
DICKENSON	1.25	1.04	1.17	1.99	2.67	2.93	3.87	2.23	2.52
DINWIDDIE	1.56	1.66	1.52	1.39	1.76	1.19	1.40	1.30	1.52
ESSEX	1.70	1.85	1.53	1.43	1.85	1.99	1.75	2.05	2.37
FAIRFAX COUNTY	4.29	3.91	3.78	3.93	3.66	3.62	3.61	3.56	3.19
FAUQUIER	1.77	1.84	1.88	1.95	1.85	1.72	1.56	2.06	1.46
FLOYD	1.72	1.56	1.57	1.66	1.69	1.78	1.94	2.08	2.44
FLUVANNA	2.23	2.44	2.37	2.07	1.57	1.64	1.59	1.31	1.45
FRANKLIN COUNTY	1.14	1.20	1.12	1.16	1.16	1.24	1.35	1.54	1.60
FREDERICK	1.76	1.99	1.77	1.70	1.71	2.12	1.59	1.51	1.51
GILES	1.00	1.09	1.07	1.20	1.32	1.34	1.29	1.30	1.15
GLOUCESTER	2.22	2.35	1.81	2.26	1.82	1.97	1.99	1.72	2.02
GOOCHLAND	2.55	2.52	2.60	2.85	2.21	2.21	2.47	1.96	2.23
GRAYSON	1.39	1.49	1.45	0.85	0.99	1.03	1.14	1.17	1.35
GREENE	1.86	2.10	1.58	1.55	1.80	1.75	1.15	1.42	1.38
GREENESVILLE	1.22	1.40	1.38	1.12	1.53	1.53	1.91	1.60	1.75
HALIFAX	1.30	1.49	1.40	1.10	1.38	1.45	1.59	1.86	2.07
HANOVER	1.63	1.70	1.63	1.36	1.60	1.69	1.43	1.44	1.88
HENRICO	2.12	2.10	2.03	1.96	1.92	1.88	1.74	1.54	1.77
HENRY	1.06	1.23	1.15	1.21	1.16	1.20	1.04	1.19	1.17
HIGHLAND	3.85	4.25	2.86	2.82	3.94	4.21	4.48	3.86	6.44
ISLE OF WIGHT	1.43	1.26	1.25	1.41	1.69	1.74	2.38	2.43	2.39
JAMES CITY	3.11	3.02	2.47	2.69	2.76	2.37	2.48	1.97	2.05
KING GEORGE	1.96	1.91	1.96	1.72	1.78	1.96	1.62	1.47	1.19
KING & QUEEN	2.94	3.05	2.87	2.17	2.66	2.49	2.81	2.48	3.37
KING WILLIAM	2.12	1.94	1.27	1.36	1.26	1.34	1.22	1.14	1.24
LANCASTER	1.48	1.65	1.70	2.60	2.09	2.26	2.11	1.86	2.11

REAL ESTATE TAXES AS A PERCENTAGE OF INCOME

<u>Locality</u>	1976	1975	1974	1973	1971	<u>1970</u>	1968	<u>1966</u>	1964
LEE	1.07	1.18	1.35	1.90	2.58	2.70	2.84	3.40	4.16
LOUDOUN	3.08	2.66	2.66	2.93	3.22	3.03	2.63	3.28	3.64
LOUISA	0.89	0.94	1.00	0.98	1.36	1.35	1.46	1.70	1.54
LUNENBURG	1.62	1.78	1.58	1.66	2.06	1.85	1.65	1.85	2.27
MADISON	2.26	2.53	2.55	1.90	2.22	2.35	2.50	1.71	2.13
MATHEWS	1.86	2.08	1.66	1.74	2.16	2.34	1.97	1.69	1.80
MECKLENBURG	1.13	1.09	1.04	1.09	1.30	1.36	1.33	1.65	1.76
MIDDLESEX	1.88	2.09	2.02	2.27	2.29	2.59	2.98	3.62	3.28
MONTGOMERY	2.21	2.35	2.26	2.45	1.45	1.42	1.11	1.21	1.35
NELSON	2.58	1.78	1.73	1.89	1.50	1.57	1.43	1.71	1.38
NEW KENT	2.92	2.93	3.10	3.45	1.97	2.13	2.22	1.84	2.25
NORTHAMPTON	2.25	1.83	1.77	2.01	1.78	1.88	1.73	2.47	2.41
NORTHUMBERLAND	2.76	1.94	1.93	2.19	2.54	2.69	2.54	2.58	2.82
NOTTOWAY	1.62	1.77	1.79	1.52	1.63	1.69	1.90	1.42	1.60
ORANGE	1.95	2.11	2.03	2.13	2.41	2.53	1.85	1.51	1.17
PAGE	1.59	1.54	1.49	1.39	1.59	1.69	2.00	1.68	2.03
PATRICK	1.62	1.60	1.55	1.24	1.45	1.51	1.15	1.04	1.42
PITTSYLVANIA	1.22	1.35	1.25	1.34	1.70	1.29	1.47	1.69	1.61
POWHATAN	2.41	2.17	2.32	2.18	2.89	3.41	2.08	2.91	2.30
PRINCE EDWARD	1.39	1.13	1.10	1.20	0.97	0.78	0.66	0.96	1.09
PRINCE GEORGE	1.63	1.42	1.49	1.59	2.66	1.94	2.62	1.76	1.96
PRINCE WILLIAM	3.90	4.23	3.54	3.36	3.60	3.36	2.65	2.53	2.13
PULASKI	1.35	1.44	1.33	1.49	1.26	1.28	1.02	1.10	1.25
RAPPAHANNOCK	2.16	2.32	1.93	1.99	2.57	2.73	2.48	2.20	2.66
RICHMOND COUNTY	1.51	1.74	1.61	2.04	1.64	2.47	2.88	2.49	2.27
ROANOKE COUNTY	2.19	2.69	1.75	1.80	2.08	1.84	1.58	1.74	1.89
ROCKBRIDGE	2.02	2.22	2.20	2.05	2.24	2.27	2.34	2.03	1.82
ROCKINGHAM	1.55	1.54	1.54	1.54	1.23	1.31	1.58	1.80	1.75
RUSSELL	1.17	1.09	1.25	1.57	1.30	1.36	1.61	1.82	1.40
SCOTT	1.66	1.44	1.50	1.17	1.36	1.41	1.61	1.72	2.21

REAL ESTATE TAXES AS A PERCENTAGE OF INCOME

Locality	1976	1975	1974	1973	1971	1970	1968	1966	1964
SHENANDOAH	1.57	1.78	1.73	1.80	1.20	1.26	1.49	1.39	1.55
SMYTH	1.04	1.14	1.12	1.05	1.19	1.19	1.34	1.35	1.42
SOUTHAMPTON	1.58	1.80	1.81	1.95	2.29	2.11	2.32	2.15	2.09
SPOTSYLVANIA	2.39	2.80	3.21	3.46	2.78	2.41	2.73	2.74	2.44
STAFFORD	2.29	2.59	2.67	2.31	2.50	2.72	1.80	1.72	1.46
SURRY	1.43	1.15	1.22	0.86	0.84	1.03	1.68	1.94	2.20
SUSSEX	1.73	1.34	1.32	1.31	1.75	1.84	2.38	2.25	2.65
TAZEWELL	0.95	0.98	1.07	1.22	1.47	1.58	1.44	1.38	1.53
WARREN	1.49	1.42	1.46	1.31	1.54	1.67	1.43	1.49	1.80
WASHINGTON	1.47	1.60	1.65	1.56	1.52	1.61	1.90	1.64	1.97
WESTMORELAND	2.86	2.97	3.02	2.99	3.65	3.47	3.53	3.38	3.65
WISE	0.76	0.66	0.67	1.09	1.32	1.39	1.69	1.93	2.10
WYTHE	1.03	1.17	1.17	1.19	1.48	1.34	1.46	1.86	1.94
YORK	1.92	2.31	1.97	2.15	1.99	2.01	1.91	1.70	1.55
NANSEMOND COUNT	0.	0.00	0.00	0.00	2.33	2.04	1.81	2.01	1.83

REAL ESTATE TAXES--excludes levies on public service corporations.

INCOME--using Adjusted Gross Income Data.

Source: Revenue and Resources Economic Commission, 1978.

Table 8.

Real Estate Taxes as a Mean Percentage of Income in Virginia\*

	1976	1975	1974	1973	1971	1970	1968	1966	1964
Cities over 25,000 population	3.00	2.98	2.80	2.79	3.10	2.95	2.80	2.76	2.84
Cities under 25,000 population	2.57	2.54	2.17	2.33	2.50	2.23	2.38	2.45	2.47
Urban counties**	2.68	2.77	2.46	2.45	2.44	2.38	2.18	2.17	2.06
Counties over 25,000 population***	1.48	1.57	1.52	1.59	1.62	1.64	1.65	1.78	1.81
Counties under 25,000 population	1.90	1.86	1.86	1.76	1.92	1.97	2.00	1.93	2.10

\*Based on data in Table 7, Real Estate Taxes as a Percentage of Income; Revenue, Resources and Economic Commission, 5/25/78.

\*\*Includes the eight counties that would be granted immunity under proposed legislation - Arlington, Chesterfield, Fairfax, Henrico, Henry, Prince William, Roanoke and York.

\*\*\*Includes following counties - Accomack, Albemarle, Amherst, Augusta, Bedford County, Buchanan, Campbell, Fauquier, Franklin County, Frederick, Halifax, Hanover, Lee, Loudoun, Mecklenburg, Montgomery, Pittsylvania, Pulaski, Rockingham, Russell, Shenandoah, Smyth, Stafford, Tazewell, Washington and Wise.

Source: Institute of Government, University of Virginia, 1978

## ESTIMATED 1974 TAX BILLS FOR THREE FAMILY INCOME LEVELS<sup>1</sup>

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### General Discussion

To compare tax levels in the sixty cities and counties reported in this publication, hypothetical tax bills were computed for three levels of family income developed by the U. S. Department of Labor in its family budget series.<sup>3</sup> The series estimates the income required to provide specified standards of living for an urban family of four composed of a 38-year-old husband employed full time, his nonworking wife, a boy of 13, and a girl of 8. In autumn 1973, the latest period available, the lowest of the three specified standards of living required an income of \$8,181, the intermediate one took \$12,626, and the highest called for \$18,201. Although these income figures are based on national averages which are generally higher than for much of Virginia, the large increase in the price level since autumn 1973 makes them conservative estimates for Virginia in 1974.

Eight local taxes paid directly by individuals are shown in Tables 16 and 17. Information is not provided for local taxes levied on businesses (even though such taxes may be ultimately shifted to individuals) because their final incidence depends on the economic conditions facing each firm. For example, local taxes on a manufacturer may be borne in varying proportions by stockholders, consumers, and employees many of whom are not residents of the locality imposing the tax.

Table 16 shows the derivation of total tax bills for each of the three levels of income based on the cost of living in the locality. As is more fully explained below in the section on "Sources and Methodology," the bases for real estate and utility taxes in Table 16 were adjusted to reflect local variations in living cost for each of the three family income levels. For example, in Alexandria the typical house value of the hypothetical lower income family was found to be \$24,500. That family's real estate tax of \$392 was derived by multiplying the house value by the effective true tax rate in Alexandria (\$1.60 per \$100 of fair market value). To take another example, in Bedford the typical house value of the hypothetical lower income family was found to be \$15,900. That family's real estate tax of \$89.04 was derived by multiplying the house value by the effective true tax rate in Bedford (\$0.56 per \$100 of fair market value). Tax bills computed in this way can vary among localities for two reasons—because of differences in tax bases due to variations in living costs, and because of differences in effective tax rates. Incorporation of both living costs and tax rate differences is desirable if the data user wants to know how actual tax bills vary among localities for families with equal incomes.

However, if the user wants to study variation in tax bills solely attributable to rate differences, then Table 17 provides the desired information. That table shows the derivation of total tax bills for each of the three levels of income assuming all localities have the same tax bases. For example, the Alexandria lower income family's real estate tax of \$55.90 was computed by multiplying a standard house value (\$17,700), which was the typical house value for the lower income family in the sixty areas as a group, by the local effective tax rate (\$1.60 per \$100 of fair market value). In the same manner the Bedford lower income family's real estate tax of \$12.28 was computed by multiplying the standard house value (\$17,700) by the local effective tax rate (\$0.56 per \$100 of fair market value).

A few cities and counties levy additional borough or district taxes. In those cases the median borough or district levy was used. Consequently residents living in boroughs or districts with rates different from the median would have different tax bills. A similar qualification also applies to incorporated town residents whose additional taxes have not been included in this study. A final qualification is that utility taxes were based on utility rates applicable to the largest concentration of residents. Residents of more thinly populated areas within a locality could have different utility taxes due to variations in rates.

The data in the tables are limited to taxes; they provide no information on differences in the quality and variety of services provided by each locality. Nevertheless, there are real differences. For example, the quality of schools is not the same statewide, and the package of other governmental services is not uniform among areas; many localities do not provide one or more of



the following: trash and garbage pick-up, a comprehensive parks and recreation program, an area wide water and sewer system, an all-paid fire department, or residential street lighting.

### Analysis

Total Taxes . For each income level, localities were ranked by size of tax burden using each of the two computational methods. The highest, median, and the lowest tax bills [are shown in the table on the next page.]

Figures 1 through 6 show the amount of tax burden by family income level in each locality. The odd numbered figures are based on local costs-of-living and the even numbered figures are based on standardized costs-of-living. The ranking of areas remains fairly constant regardless of whether the basis of comparison is local costs or standardized costs. This indicates that in most cases areas with a high cost of living have high tax rates and low cost areas have low tax rates.

Family Income Level	Level of Total Taxes, Based on Local Costs of Living			Level of Total Taxes, Based Standardized Costs of Living		
	Highest	Median	Lowest	Highest	Median	Lowest
Lower	\$623.10	\$254.28	\$ 89.73	\$462.69	\$257.11	\$117.90
Intermediate	739.00	317.88	122.87	580.90	321.67	148.77
Higher	904.37	420.84	159.52	736.33	411.76	187.57

SOURCE: Tables 16 and 17.

## FOOTNOTES

This is an excerpt from an article appearing in Paul K. Casey, Tax Rates in Virginia Cities and Selected Counties: 1974 , Joint Report No. 32, Virginia Municipal League and the Institute of Government, University of Virginia. Some of the tables referred to in the body are not included in this report.

<sup>2</sup>Extensive computation assistance was provided by TMI staff members David C. Hodge, Emily W. Mundell, and Barry A. Jackson (Mr. Jackson also did the graphics).

<sup>3</sup>Jean Brackett, "Urban Family Budgets Updated to Autumn 1973" 97 Monthly Labor Review , 57-62 (August 1974).

Figure 1  
 Estimated 1974 Tax Bills for a Lower Income Family Based on Local Costs-of-Living

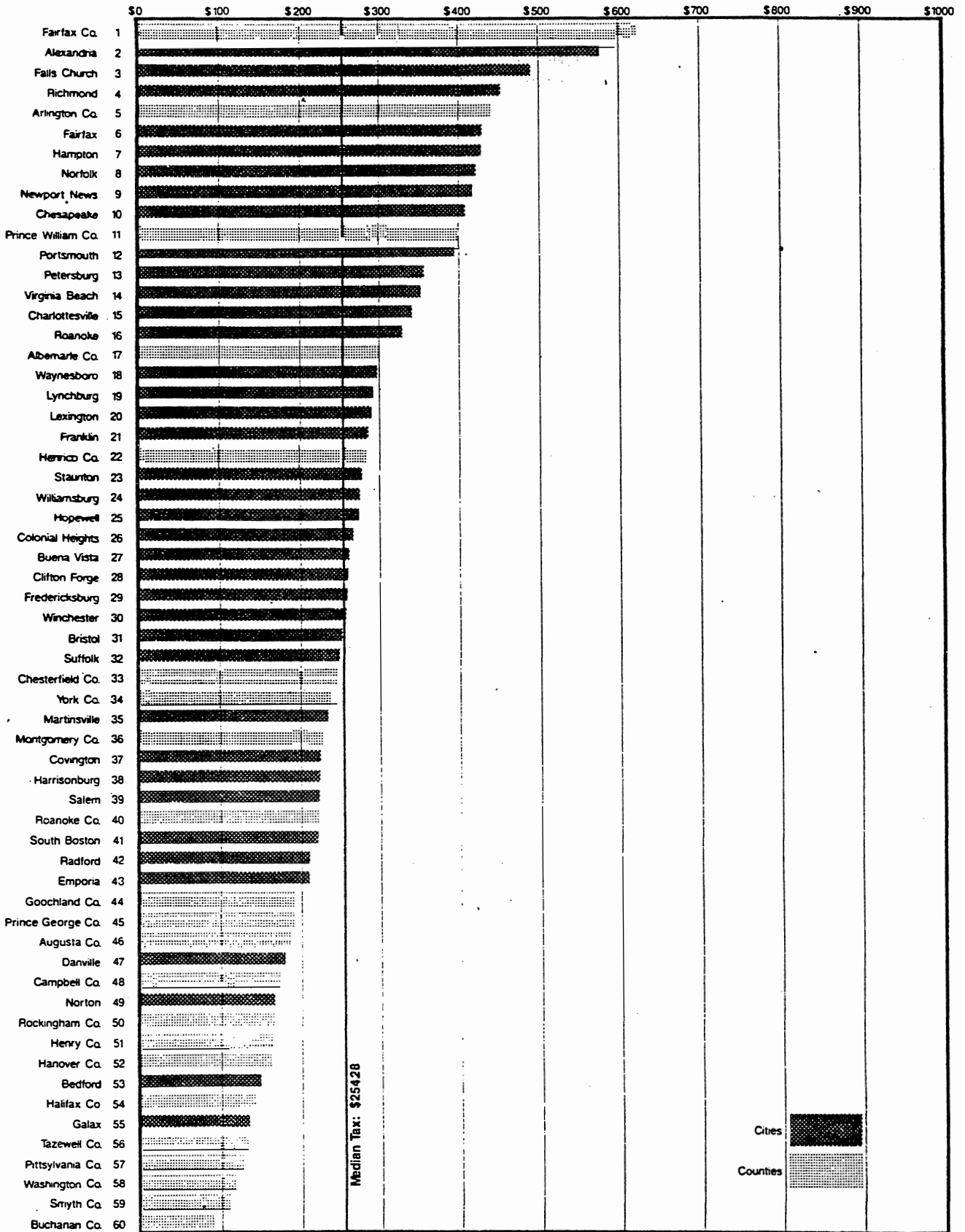


Figure 2  
 Estimated 1974 Tax Bills for a Lower Income Family Based on Standardized Costs-of-Living

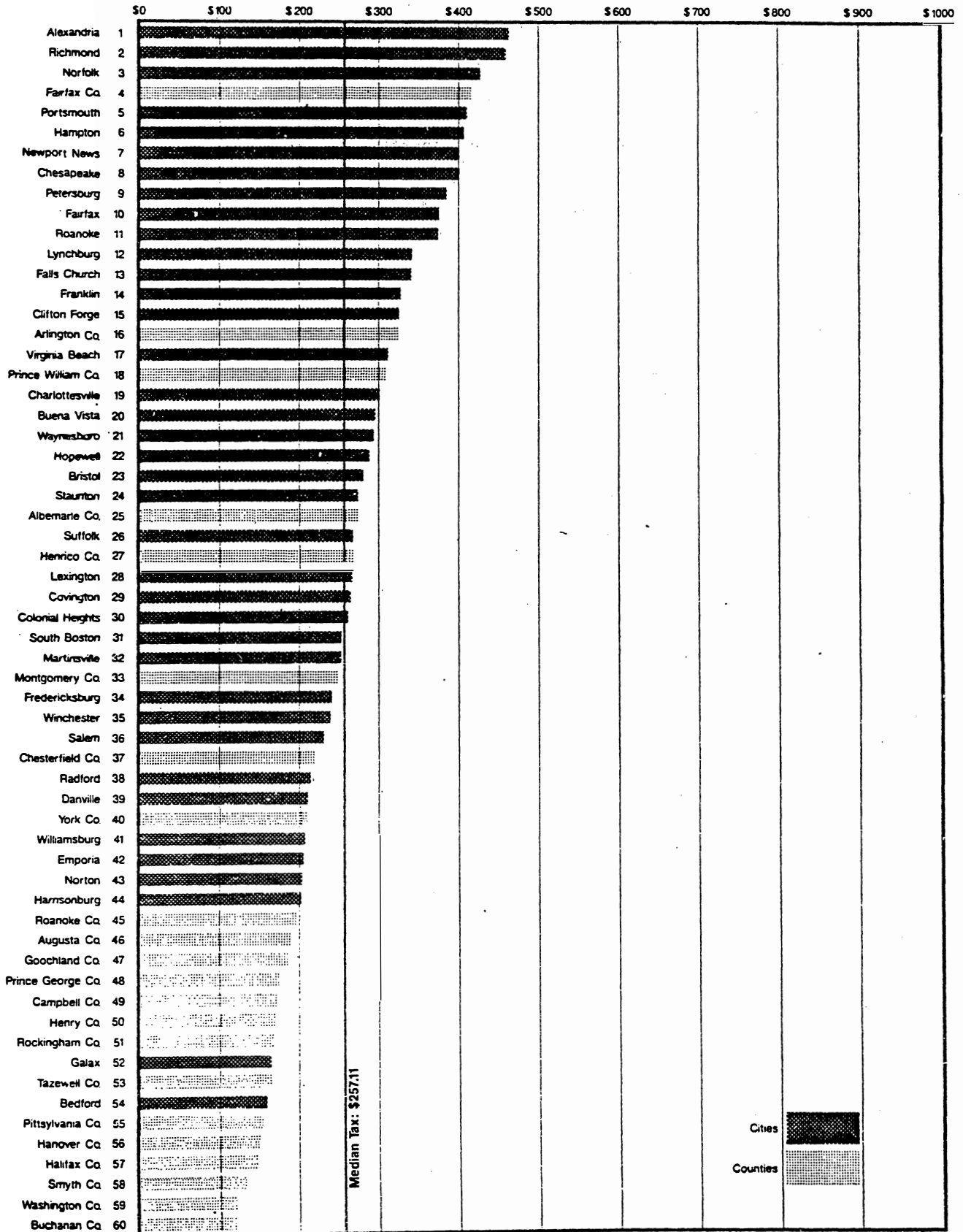


Figure 3  
 Estimated 1974 Tax Bills for an Intermediate Income Family Based on Local Costs-of-Living

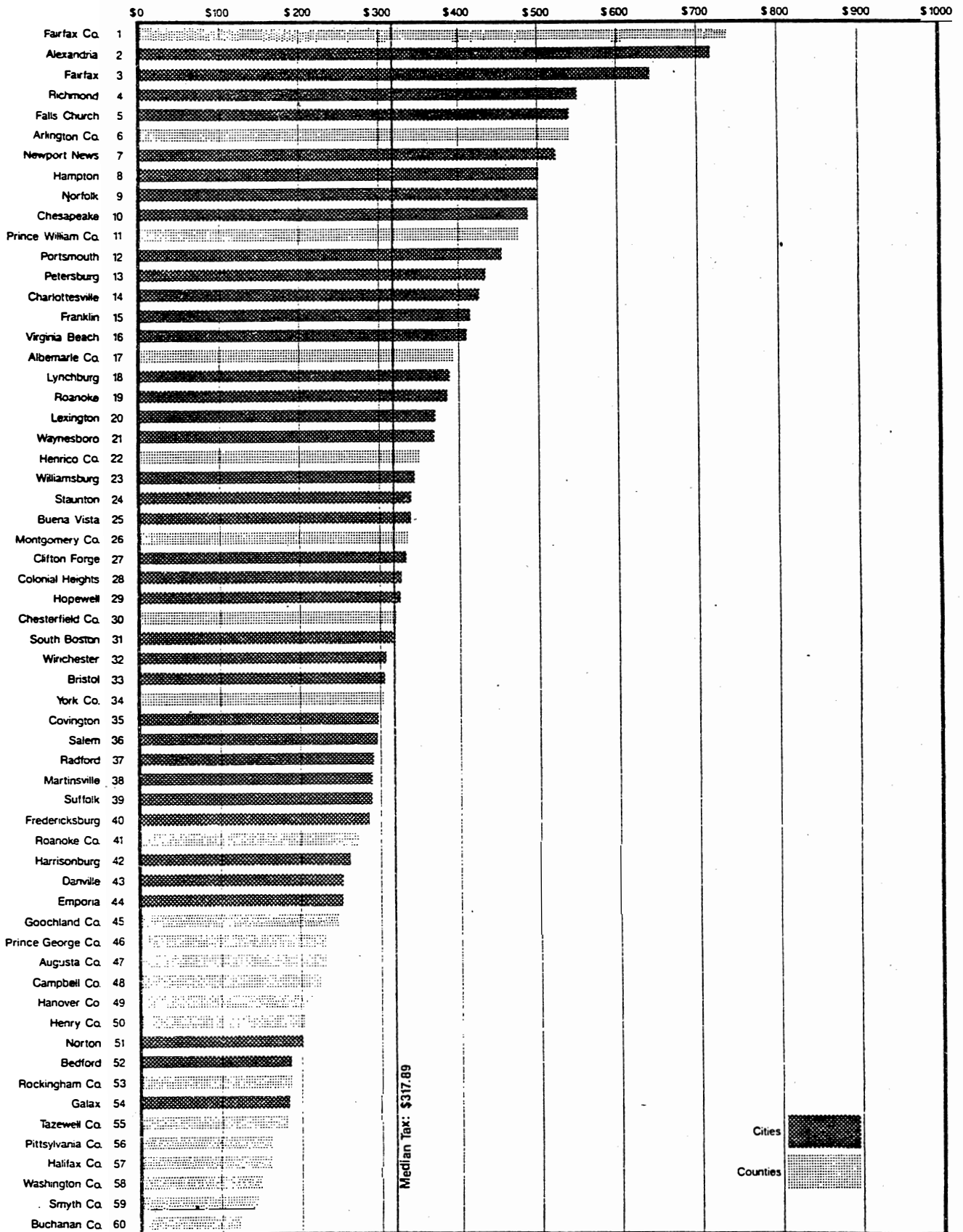


Figure 4

Estimated 1974 Tax Bills for an Intermediate Income Family Based on Standardized Costs-of-Living

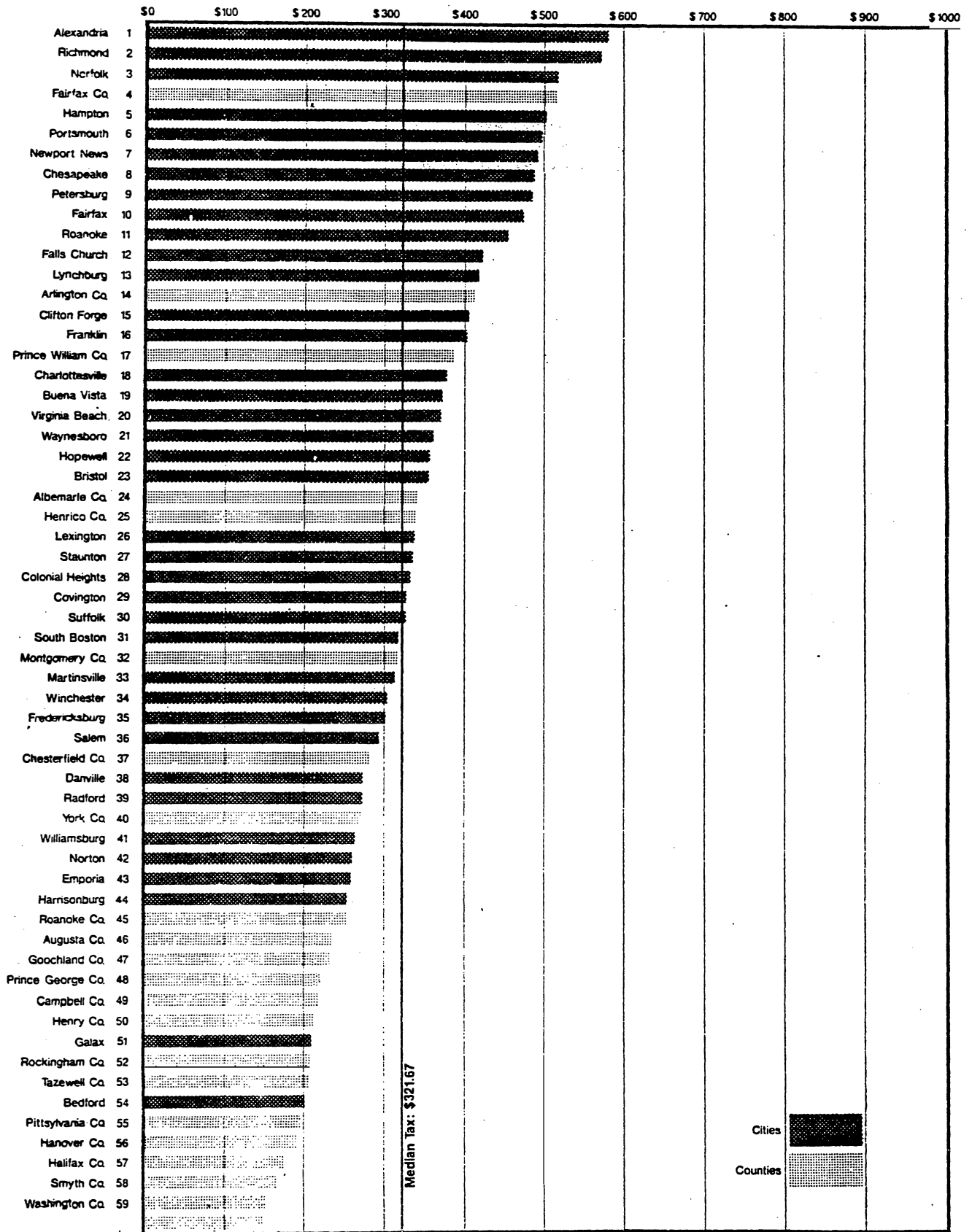


Figure 5  
 Estimated 1974 Tax Bills for a Higher Income Family Based on Local Costs-of-Living

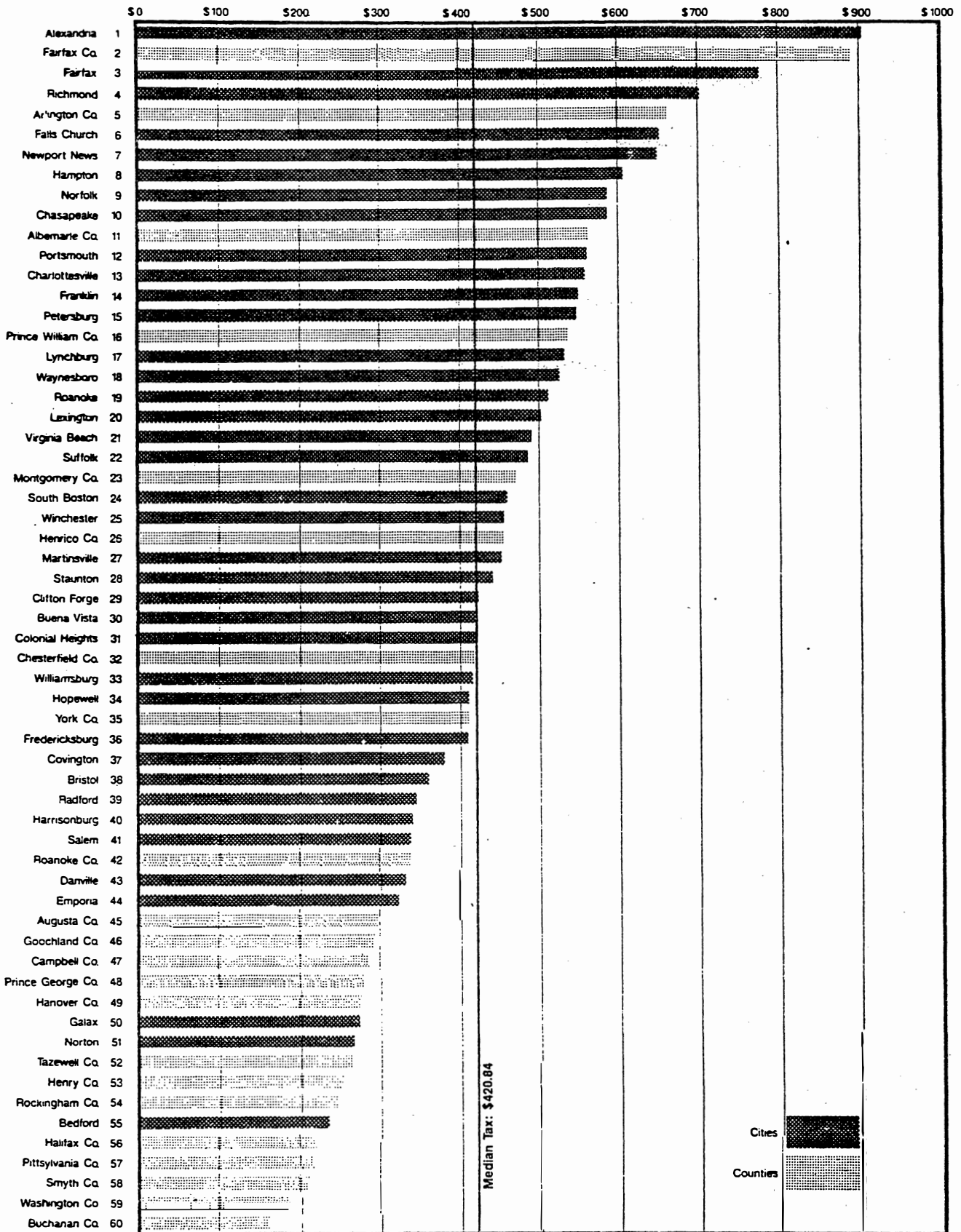
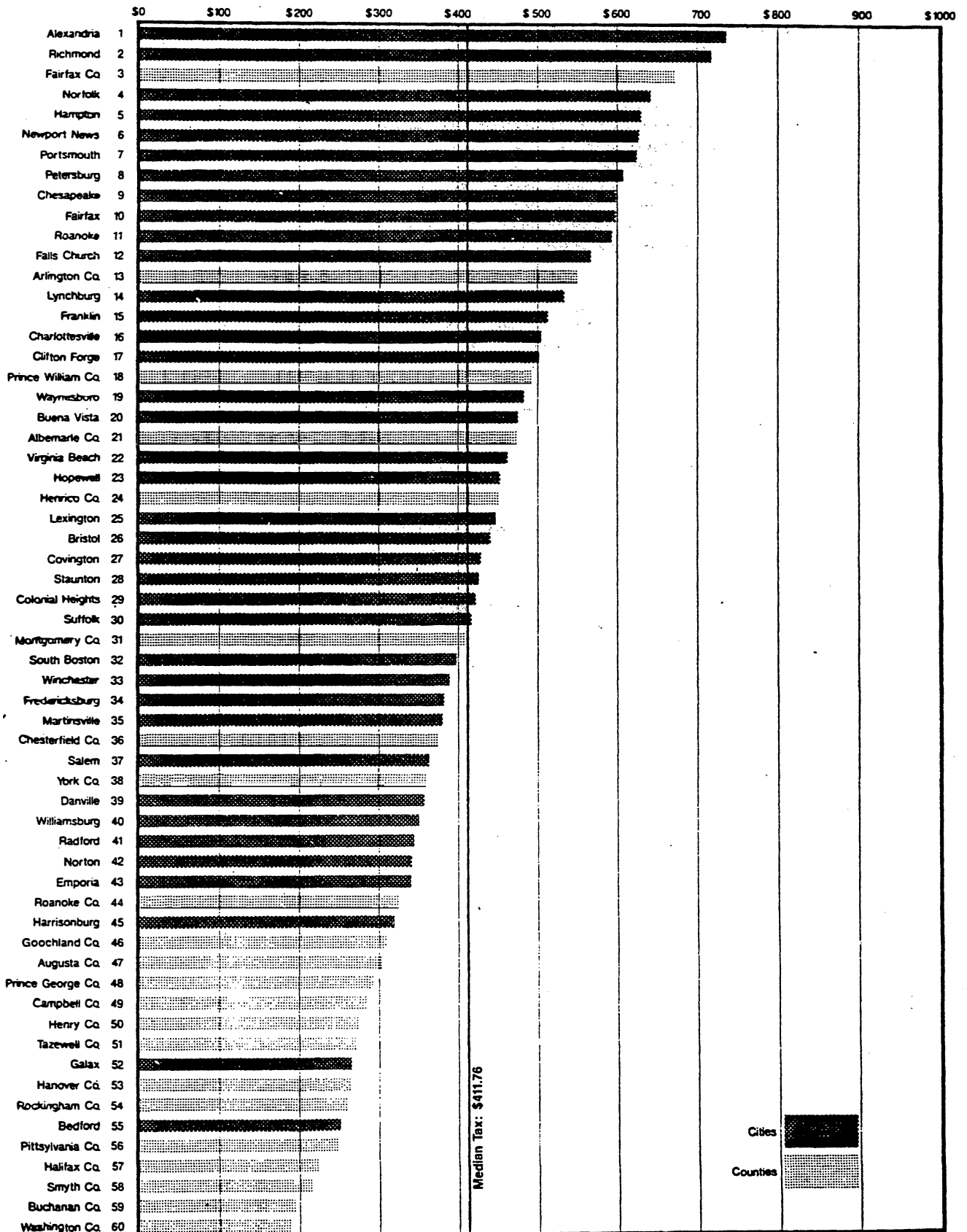




Figure 6  
 Estimated 1974 Tax Bills for a Higher Income Family Based on Standardized Costs-of-Living



ANALYSIS OF COSTS OF GOVERNMENT  
IN FAIRFAX AND BUCHANAN COUNTIES,  
1974-1975

	Fairfax	Buchanan
Average per capita income	\$7,232	\$4,782
Intermediate income local tax bill	\$ 740	\$ 125
Effective true real property tax rate	\$ 1.22	\$ 0.26
Real estate taxes as a percentage of income	3.78%	.87%

To what extent is the wide difference in the local tax burden a reflection of:

- a. local desires for usual services and/or of higher quality; or
- b. higher costs of government, particularly labor costs; or
- c. differences in state aid; or
- d. the needs of an urban area?

Education

	<u>Fairfax</u>	<u>Buchanan</u>
a. Pupil-teacher ratios	1:21	1:20
Pupil-staff ratio	1:20	1:19
b. Average teacher salary out of local funds	\$ 13,854	\$4,662
Average staff salary out of local funds	\$ 14,315	\$4,776
Savings if Fairfax staff paid Buchanan average salary	\$ 33,851,132	
Tax rate reduction	33.3¢	
c. State aid/ADM	282	496
Federal aid/ADM	144	133
Additional funds for Fairfax if aided at same level as Buchanan	\$ 27,803,435	
Tax reduction	27.3¢	

ANALYSIS - continued

<u>Welfare</u>	<u>Fairfax</u>	<u>Buchanan</u>
a. Staff per 1,000 population	.20	.75
Percent of population with incomes below poverty level (1970 census)	4.2 <sup>o</sup>	30.5
Staff per 1,000 population under poverty level	4.7	2.4
Amount of tax rate attributable to higher staff	.6¢	
b. Average professional salary	\$10,575	\$9,125
Average supplement (32 positions)	1,083	0
Average total salary	\$11,658	\$9,125
Savings if funded at lower average	\$250,767	
Tax rate reduction	.2¢	
c. State aid per capita	2.39	4.30
Tax rate reduction if aided at same rate as Buchanan	.9¢	

Health

a. Staff per 1,000 population	.38	.35
Amount of tax rate attributable to higher staff	.3¢	
b. Average salary	\$11,861	\$8,411*
Supplement	4,314	0
Average total salary	\$16,175	\$8,411
Savings if paid at lower average salary	\$1,498,418	
Tax rate reduction	1.5¢	
c. State aid per capita	3.47	4.06
Additional funds if aided to same extent	\$297,258	
Tax rate reduction	.3¢	

\*Includes proportionate share of four district health officers.

ANALYSIS - continued

Libraries

	<u>Fairfax</u>	<u>Buchanan</u>
a. Staff per 1,000 population	.63	.13
Amount of tax rate attributable to higher staff	2.4¢	
b. Average salaries	\$ 10,027	\$6,403
Savings if funded at lower average	\$1,154,147	
Reduction in tax rate	1.1¢	
c. State aid per capita	.18	.19
Additional funds if aided at same rate	\$ 5,205	

Law Enforcement (less amount allowed by Compensation Board for sheriffs)

Per capita	27.41	0
Contribution to tax rate	13.6 ¢	

Fire Prevention and Protection

Per Capita	18.55	.08
Contribution to tax rate	9.2 ¢	
Debt service as percentage of total budget	4.2	1.1
Debt service per capita	35.16	4.60
Capital outlays as percentage of total budget	20.7	12.2
Capital outlay per capita	171.64	3.28

SUMMARY

- a. Effect on Fairfax effective true property tax rate if staff ratios were same as Buchanan:

Education	0
Welfare	.6
Health	.3
Libraries	<u>2.4</u>
TOTAL	3.3

ANALYSIS - continued

- b. Effect on Fairfax effective true tax rate if salary averages were same as Buchanan:

Education	33.3¢
Welfare	.2
Health	1.5
Libraries	<u>1.1</u>
TOTAL	36.1¢

- c. Effect on Fairfax effective true tax rate if Fairfax aided by State at same level as Buchanan:

Education	27.3¢
Welfare	.9
Health	.3
Libraries	0
TOTAL	28.5¢

- d. Effect on Fairfax effective true tax rate of urban services not needed in Buchanan:

Law Enforcement	13.6¢
Fire Protection	<u>9.2</u>
TOTAL	22.8¢

Cumulative Summary of effect on Fairfax effective true tax rate:

Effective true tax rate, 1975 -	\$1.22
Staff ratios	- .033
Salaries	- .361
State aid	- .285
Urban services	- <u>.228</u>
Resultant	.313

Source: Division of Legislative Services, 1978.

