

# Revenues - General Property Tax

Fiscal Year 2026 Operating Budget

## Description

The property tax is one of the major revenue sources for the General Fund. It provides approximately 26% of the General Fund's revenues.

**Real Estate Tax:** The tax rate is 83 cents per hundred dollar valuation. The City reassesses all property bi-annually. This category reflects natural growth.

**Personal Property Tax:** The tax rate is \$3.45 per hundred dollar valuation.

**Machine and Tolls Tax:** This tax is set at \$1.50 per hundred dollar valuation and is imposed upon industry.

**Public Service Tax:** The revenues for this group are set by the State Corporation Commission and represent taxable utility property within the City limits.

**Regional Partnership Shared Tax:** The City and Pittsylvania County through the Regional Industrial Facility Authority owns three industrial parks, Cyber Park located in the City, and two located in Pittsylvania County, Cane Creek Industrial Park and the Southern Virginia Megasite at Berry Hill. This revenue source reflects the shared revenue from the Cane Creek Industrial Park.

**Other:** This group includes Machinery/Tools, Aircraft, and Mobile Homes taxes as well as penalties and interest on delinquent taxes.

	ACTUAL	ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/ (Decrease)
<b>Revenues</b>					
Real Estate Tax	\$20,020,012	\$19,944,123	\$22,268,240	\$27,561,980	\$5,293,740
Personal Property Tax	\$14,515,473	\$15,438,433	\$17,009,440	\$17,028,600	\$19,160
Machine & Tools Tax	\$1,646,597	\$1,747,752	\$1,955,000	\$1,641,000	(\$314,000)
Public Service Taxes	\$585,193	\$649,744	\$646,000	\$652,500	\$6,500
Regional Partnership	\$272,082	\$201,062	\$355,600	\$355,600	\$0
Penalties & Interest	\$968,474	\$1,045,720	\$914,000	\$914,000	\$0
Other Property Tax	\$323,425	\$306,080	\$331,000	\$339,000	\$8,000
<b>REVENUES TOTAL</b>	<b>\$38,331,258</b>	<b>\$39,332,915</b>	<b>\$43,479,280</b>	<b>\$48,492,680</b>	<b>\$5,013,400</b>

# Revenues - Other Local Taxes

Fiscal Year 2026 Operating Budget

## Description

Other Local Taxes is comprised of eight major revenues and represents approximately 43% of General Fund Revenues.

**Local Casino Tax:** This tax is comprised of two components: (1) a minimum guaranteed local share paid directly to the City and (2) a portion of the casino gaming tax collected by the Commonwealth and then remitted back to the City.

**Local Sales Tax:** The City receives 1% local origin sales tax.

**Business Tax:** The Business and Professional License Tax is levied on businesses operating within the City. The rate is based on the business class (whole merchants, retail merchants, professional occupations, services, etc.). Contractors are required to purchase business licenses.

**Meals Tax:** The tax rate is 6.5% of the cost of meals and/or drinks.

**Hotel/Motel Tax:** These revenues are comprised of a tax rate of 8% plus \$3.00 per day.

**Auto License Registration:** Vehicles registered in the City are required to pay a registration fee based on the weight of the vehicle (\$25 for vehicles up to one ton and \$175 for vehicles 3.5 ton and over).

**Bank Stock Tax:** This revenue reflects Bank Franchise Tax of the net capital of banks located with the City. The rate is \$0.40 on each \$100 of taxable value.

**Utility Taxes:** There are two categories: Utility Consumption Tax (tax on consumers of utility electric services and based on kilowatts consumed), Consumer Utility Tax (monthly tax imposed on each purchase of electricity delivered to consumers by a services provider).

**Other:** Included in this category are Recordation Taxes, Daily Property Rental Tax, and Motor Vehicle Tax.

ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/ (Decrease)
Revenues					
Local Casino Tax	\$2,623,179	\$20,667,627	\$25,000,000	\$35,000,000	\$10,000,000
Local Sales Tax	\$11,968,885	\$13,488,883	\$13,000,000	\$14,000,000	\$1,000,000
Business & Occupancy License	\$6,971,553	\$7,940,985	\$7,642,000	\$8,582,000	\$940,000
Prepared Meals Tax	\$11,279,539	\$12,402,363	\$12,100,000	\$13,900,000	\$1,800,000
Utility Consumption Tax	\$175,770	\$184,134	\$180,000	\$180,000	\$0
Consumer Utility Tax	\$760,260	\$760,256	\$750,000	\$750,000	\$0
Hotel/Motel Tax	\$2,707,221	\$3,154,749	\$3,525,000	\$3,680,000	\$155,000
Auto License Registration	\$1,067,734	\$961,202	\$1,025,000	\$1,000,000	(\$25,000)
Bank Stock Tax	\$1,044,678	\$1,136,651	\$1,100,000	\$1,100,000	\$0
Other Local Taxes	\$590,470	\$910,238	\$630,800	\$630,800	\$0
REVENUES TOTAL	\$39,189,289	\$61,607,088	\$64,952,800	\$78,822,800	\$13,870,000

# Revenues - License, Permits, Privilege

Fiscal Year 2026 Operating Budget

## Description

This group of revenues is directly linked to the local economy and reflects growth within the community.

	ACTUAL		ADOPTED BUDGET	PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/ (Decrease)
Revenues					
Inspection Fees	\$432,530	\$558,801	\$412,540	\$446,180	\$33,640
Short Term Rental Permits	–	–	\$10,500	\$7,000	(\$3,500)
Concealed Weapon Permits	\$19,684	\$18,387	\$20,000	\$20,000	\$0
Dog Tags	\$10,131	\$10,029	\$10,000	\$10,000	\$0
Stormwater Permit Fees	\$25,114	\$9,171	\$20,000	\$20,000	\$0
Planning Commission Fees	\$11,700	\$44,418	\$26,400	\$24,000	(\$2,400)
Other Fees and Permits	\$25,138	\$43,558	\$71,620	\$79,330	\$7,710
REVENUES TOTAL	\$524,297	\$684,364	\$571,060	\$606,510	\$35,450

# Revenues - Fines and Forfeitures

Fiscal Year 2026 Operating Budget

## Description

The main category is General District Court fines and fees and reflects a mixed trend of ups and downs.

	ACTUAL		ADOPTED BUDGET	PROPOSED BUDGET	Increase/ (Decrease)
	FY2023	FY2024	FY2025	FY2026	
<b>Revenues</b>					
General District Court	\$140,014	\$138,897	\$135,000	\$135,000	\$0
Circuit Court	\$5,060	\$6,454	\$6,000	\$6,000	\$0
Courthouse Security	\$29,282	\$33,825	\$40,000	\$40,000	\$0
Court Cost - Bldg Maint	\$12,915	\$13,540	\$14,000	\$14,000	\$0
Court Cost - Law Library	\$18,214	\$18,191	\$25,000	\$20,000	(\$5,000)
Parking Tickets	\$4,980	\$9,630	\$16,000	\$335,160	\$319,160
Other Fines	\$42,446	\$39,788	\$22,000	\$21,500	(\$500)
<b>REVENUES TOTAL</b>	<b>\$252,910</b>	<b>\$260,324</b>	<b>\$258,000</b>	<b>\$571,660</b>	<b>\$313,660</b>

# Revenues - Revenue From Use of Money and Property

Fiscal Year 2026 Operating Budget

## Description

This group of revenues provides approximately 1% of General Fund revenues and is comprised of two main categories as follows:

**Interest on Investments:** All of the City's funds are invested in secured accounts with the primary objective being to earn the highest possible return. Investment earnings are a function of the money marketplace and swings in the revenues reflect higher or lower interest rates.

**Facility Rentals and Concessions:** The revenue group reflects the rental of recreational facilities and other municipal properties.

ACTUAL		ADOPTED BUDGET	PROPOSED BUDGET		
	FY2023	FY2024	FY2025	FY2026	Increase/ (Decrease)
<b>Revenues</b>					
Interest on Investments	\$2,448,146	\$3,751,028	\$2,817,560	\$2,148,800	(\$668,760)
Rental Income	\$360,892	\$362,371	\$356,060	\$367,630	\$11,570
Concession Rentals	\$69,192	\$71,404	\$76,430	\$76,430	\$0
Sale - Salvage & Surplus	\$6,576	—	\$5,000	\$5,000	\$0
REVENUES TOTAL	\$2,884,806	\$4,184,802	\$3,255,050	\$2,597,860	(\$657,190)

# Revenues - Charges for Services

Fiscal Year 2026 Operating Budget

## Description

This group of General Fund revenues and is comprised of two main categories as follows:

**Charges for Detention:** The City receives per diem from the Commonwealth of Virginia for state inmates at the City Jail and at the adult detention facility. The W.W. Moore Juvenile Detention Facility provides for detention of juveniles. The Detention Home serves the cities of Danville and Martinsville, the town of South Boston, and the counties of Pittsylvania, Henry, Patrick, Halifax, and Mecklenburg. The partner localities are charged per diem based on actual cost of operation.

**Fines and Fees:** This category consists of recreation fees for a variety of programs to citizens and non-citizens.

ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/ (Decrease)
Revenues					
Court Fees	\$23,646	\$48,950	\$25,600	\$29,000	\$3,400
Charges for Detention	\$1,938,009	\$1,436,646	\$2,975,600	\$2,973,770	(\$1,830)
Charges for Collection	\$76,049	\$81,311	\$71,500	\$71,500	\$0
Recreation Fees	\$220,199	\$312,458	\$349,515	\$366,600	\$17,085
Fire Fees	\$974	\$1,110	\$2,500	\$2,500	\$0
Other Charges for Services	\$12,703	\$19,604	\$9,000	\$10,400	\$1,400
REVENUES TOTAL	\$2,271,579	\$1,900,079	\$3,433,715	\$3,453,770	\$20,055

# Revenues - Miscellaneous Revenues

Fiscal Year 2026 Operating Budget

## Description

This group of revenues as the title suggests provides for miscellaneous revenues including gain on disposal of property. This revenue is not dependable and fluctuates annually.

ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/ (Decrease)
Revenues					
Gain on Disposal of Property	\$2,323	\$37,537	–	–	\$0
Private Gifts & Donations	\$89,626	\$63,845	\$0	\$0	\$0
Other Miscellaneous Revenue	\$26,210	\$27,444	\$25,100	\$25,100	\$0
REVENUES TOTAL	\$118,160	\$128,825	\$25,100	\$25,100	\$0

# Revenues - Recovered Costs

Fiscal Year 2026 Operating Budget

## Description

This major revenue group provides approximately 6% of General Fund revenues.

**Enterprise Funds:** These revenues represent recovery of administrative costs from the City's five utility funds. The Cost Allocation Plan is performed annually with this revenue based on the Plan from two prior years.

The Utility Fund's activity, Customer Services, has been transferred to the General Fund, Finance Department. However, the Electric Fund transfers to the General Fund the cost of this activity since it handles Utility customer accounts. There is also a transfer to the General Fund to cover a portion of the cost for the General Fund's River City TV activity.

**Other:** This category of recoveries represents contra revenues for Social Services and Juvenile Detention which also include Cost Allocation appropriations. These revenues are shown in order to receive funding for administrative costs from the State for Social Services and the Library, and from the City's Juvenile Detention partner localities. Also included is the recovery of Customer Accounts from Utilities which in the past was an expenditure activity in Utilities. Other recoveries reflect various recoveries and cannot be planned on as a stable revenue source on a year-to-year basis.

	ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET		Increase/ (Decrease)
	FY2023	FY2024	FY2025	FY2026			
<b>Revenues</b>							
Enterprise Funds	\$5,043,567	\$5,239,428	\$5,572,710	\$6,536,190			\$963,480
Recovered Cost	\$4,077,024	\$4,767,652	\$4,359,620	\$4,680,780			\$321,160
<b>REVENUES TOTAL</b>	<b>\$9,120,591</b>	<b>\$10,007,079</b>	<b>\$9,932,330</b>	<b>\$11,216,970</b>			<b>\$1,284,640</b>

# Revenues - Non-Categorical Aid State

Fiscal Year 2026 Operating Budget

## Description

This major revenue group provides approximately 3% of General Fund revenue and reflects and overall decrease. There are two majority categories as follows:

**State Aid to Localities-599:** This state revenue is provided to localities with paid public safety departments. Preliminary estimates reflect an increase in this source.

**State Telecommunications Tax:** This was previously a local tax levied on telephone, cell phone, and cable television companies. Several years ago, these companies lobbied the State to take over collection and levy a flat fee for all companies. The State collects the proceeds and distributes to localities based on the number of customers each company has in the locality.

**Other:** The other revenues include Motor Vehicle Carriers Tax, Mobile Home Titling Tax, and Recordation Tax – State. The State provides \$200,000 toward the operation and maintenance of the Visitor Center.

	ACTUAL		ADOPTED BUDGET	PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/ (Decrease)
<b>Revenues</b>					
Motor Vehicle Carriers Tax	\$65,377	\$71,323	\$70,000	\$70,000	\$0
Mobile Home Titling Tax	\$10,035	\$8,694	\$10,000	\$10,000	\$0
Recordation Tax	\$97,020	\$111,011	\$100,000	\$100,000	\$0
State Aid to Localities 599	\$3,087,321	\$3,247,195	\$3,000,000	\$3,000,000	\$0
State Telecommunications	\$2,233,875	\$2,099,263	\$2,200,000	\$2,200,000	\$0
Visitor Center	\$100,000	\$200,000	\$200,000	\$200,000	\$0
<b>REVENUES TOTAL</b>	<b>\$5,593,628</b>	<b>\$5,737,486</b>	<b>\$5,580,000</b>	<b>\$5,580,000</b>	<b>\$0</b>

# Revenues - Categorical Aid State Shared

Fiscal Year 2026 Operating Budget

## Description

This revenue group provides approximately 4% of General Fund revenue. This category provides for reimbursement of a portion of the salary and benefits of Constitutional Officers. The State does not provide for operating costs of these offices. Each office is reimbursed based on a formula as set by the State Compensation Board. For example, the State reimburses 100% of Sheriff deputies salaries, but only 2/3 of the salary for Sheriff office nurses. The City also provides a supplement for most of the personnel.

	ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/ (Decrease)	
Revenues						
Sheriff	\$3,762,284	\$4,041,687	\$4,400,290	\$4,640,680	\$240,390	
Commonwealth Attorney	\$1,037,883	\$1,153,332	\$1,314,010	\$1,312,100	(\$1,910)	
Clerk of Circuit Court	\$601,247	\$668,271	\$676,670	\$708,670	\$32,000	
Commissioner of Revenue	\$179,652	\$201,625	\$216,560	\$224,130	\$7,570	
Treasurer	\$147,743	\$166,733	\$188,300	\$195,520	\$7,220	
Registrar/Electoral Board	\$82,163	\$120,353	\$0	\$0	\$0	
REVENUES TOTAL	\$5,810,972	\$6,352,001	\$6,795,830	\$7,081,100	\$285,270	

# Revenues - Categorical Aid State

Fiscal Year 2026 Operating Budget

## Description

This revenue group provides approximately 6% of General Fund revenue and provides funding for a variety of functions. There majority categories as follows:

**Welfare:** This revenue source provides approximately 80% of the operating cost for the Department of Social Services.

**Department of Juvenile Justice Block Grant:** This revenue provides funding for the W.W. Moore Juvenile Detention Facility and is dependent on State funding.

**Other:** Various funding includes grants for Emergency Services, Fire Service, and support of the Library.

	ACTUAL		ADOPTED BUDGET	PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/ (Decrease)
<b>Revenues</b>					
Welfare Admin-Serv/Elg	\$5,232,081	\$5,724,634	\$5,434,700	\$6,370,000	\$935,300
Public Assistance	\$1,204,780	\$1,409,352	\$2,000,000	\$1,600,000	(\$400,000)
Fire Service Grant	\$170,876	\$191,760	\$165,000	\$165,000	\$0
Wireless E911 State Funds	\$286,505	\$298,955	\$294,000	\$294,000	\$0
Emergency Response Program	\$30,000	\$30,000	\$30,000	\$30,000	\$0
Emergency Medical Services	\$36,697	\$72,253	\$37,130	\$37,130	\$0
Emergency Sevices Grant	\$27,013	\$27,013	\$27,000	\$27,000	\$0
Dept of Juvenile Jus Block Gt	\$1,591,589	\$1,749,295	\$1,588,200	\$1,588,200	\$0
Dept of Juv Justice-CAP Prog	\$50,441	\$655,119	\$48,000	\$48,000	\$0
Juvenile & Domestic Relations	\$5,532	\$6,340	\$6,000	\$6,000	\$0
Library	\$195,211	\$230,469	\$230,345	\$241,830	\$11,485
National Guard Armory - Maint	\$11,444	\$8,475	\$12,000	\$12,000	\$0
Categorical State Aid Other	\$11,260	\$93,061	\$0	\$0	\$0
<b>CATEGORICAL AID STATE TOTAL</b>	<b>\$8,853,431</b>	<b>\$10,496,728</b>	<b>\$9,872,375</b>	<b>\$10,419,160</b>	<b>\$546,785</b>
<b>REVENUES TOTAL</b>	<b>\$8,853,431</b>	<b>\$10,496,728</b>	<b>\$9,872,375</b>	<b>\$10,419,160</b>	<b>\$546,785</b>

# Revenues - Interfund Transfers

Fiscal Year 2026 Operating Budget

## Description

This interfund transfers from the five Utility Funds represent approximately 9% of General Fund Revenues and is a major source of income for the General Fund. The City Utilities shares its profits with the owners, the taxpayers, thereby affording a lower real property tax rate and enhanced local services. The transfer is determined by a council approved policy and is reviewed bi-annually along with the Utility Rate Study.

	ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026		Increase/ (Decrease)
<b>Revenues</b>						
Transfer in - Comm Dev	\$8,500	–	–	–		\$0
Transfer In - Capital Projects	\$200,000	–	\$0	\$0		\$0
Transfer in from Wastewater	\$705,760	\$705,760	\$705,760	\$707,760		\$2,000
Transfer in from Water	\$953,300	\$966,300	\$966,300	\$985,300		\$19,000
Transfer in from Gas	\$3,196,330	\$3,199,330	\$3,199,330	\$3,199,330		\$0
Transfer in from Power& Light	\$10,572,610	\$10,635,610	\$10,635,610	\$10,710,610		\$75,000
Transfer in from Telecom	\$81,000	\$81,000	\$81,000	\$81,000		\$0
<b>TRANSFERS IN TOTAL</b>	<b>\$15,717,500</b>	<b>\$15,588,000</b>	<b>\$15,588,000</b>	<b>\$15,684,000</b>		<b>\$96,000</b>
<b>REVENUES TOTAL</b>	<b>\$15,717,500</b>	<b>\$15,588,000</b>	<b>\$15,588,000</b>	<b>\$15,684,000</b>		<b>\$96,000</b>

# Revenues - Transfer From Fund Balance

Fiscal Year 2026 Operating Budget

## Description

Per the City's Financial Policies, unassigned and unrestricted fund balances in excess of established minimum levels may be appropriated by Council for nonrecurring expenditures such as unanticipated budget shortfalls, economic development incentive payments, special projects, acquisition of real property, capital purchases, local matches for grants, pre-payment of existing debt, prepayment of equipment maintenance contracts, and one-time employee pay bonuses. Except during periods of economic recession or under unusual circumstances, excess funds will not be used to support routine operating expenditures.

In FY 2025, an appropriation from General Fund Balance was used to support various capital and special projects. There is no appropriation of General Fund Balance for FY 2026.

	ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET	Increase/ (Decrease)
	FY2023	FY2024	FY2025	FY2026		
Revenues						
Transfer from Fund Balance	-	-	\$832,170	\$0		(\$832,170)
REVENUES TOTAL	-	-	\$832,170	\$0		(\$832,170)