General Fund Revenue Overview

Summary of General Fund Revenue and Transfers In

Category	FY 2020 Actual	FY 2021 Adopted Budget Plan	FY 2021 Revised Budget Plan[1]	FY 2022 Advertised Budget Plan	Change from Revised	
					Increase/ (Decrease)	% Change
Real Estate Taxes - Current and Delinquent	$2,898,128,734	$3,002,075,466	$2,999,403,837	$3,047,959,917	$48,556,080	1.6%
Personal Property Taxes - Current and Delinquent[2]	652,982,430	639,338,332	631,243,511	642,977,292	11,733,781	1.9%
Other Local Taxes	535,816,255	489,100,905	505,274,909	519,984,902	14,709,993	2.9%
Permits, Fees and Regulatory Licenses	54,002,649	49,642,908	49,642,908	49,642,908	0	0.0%
Fines and Forfeitures	10,001,169	11,795,664	7,934,518	8,727,970	793,452	10.0%
Revenue from Use of Money/Property	66,201,313	24,257,799	24,257,799	14,973,158	(9,284,641)	(38.3%)
Charges for Services	70,109,331	83,119,246	56,526,667	57,104,738	578,071	1.0%
Revenue from the Commonwealth and Federal Government[2]	344,430,212	141,634,775	142,528,874	142,528,874	0	0.0%
Recovered Costs / Other Revenue	15,486,983	16,234,444	15,526,944	15,526,944	0	0.0%
Total Revenue	**$4,647,159,076**	**$4,457,199,539**	**$4,432,339,967**	**$4,499,426,703**	**67,086,736**	**1.5%**
Transfers In	9,081,414	8,707,781	8,707,781	9,000,481	292,700	3.4%
Total Receipts	**$4,656,240,490**	**$4,465,907,320**	**$4,441,047,748**	**$4,508,427,184**	**67,379,436**	**1.5%**

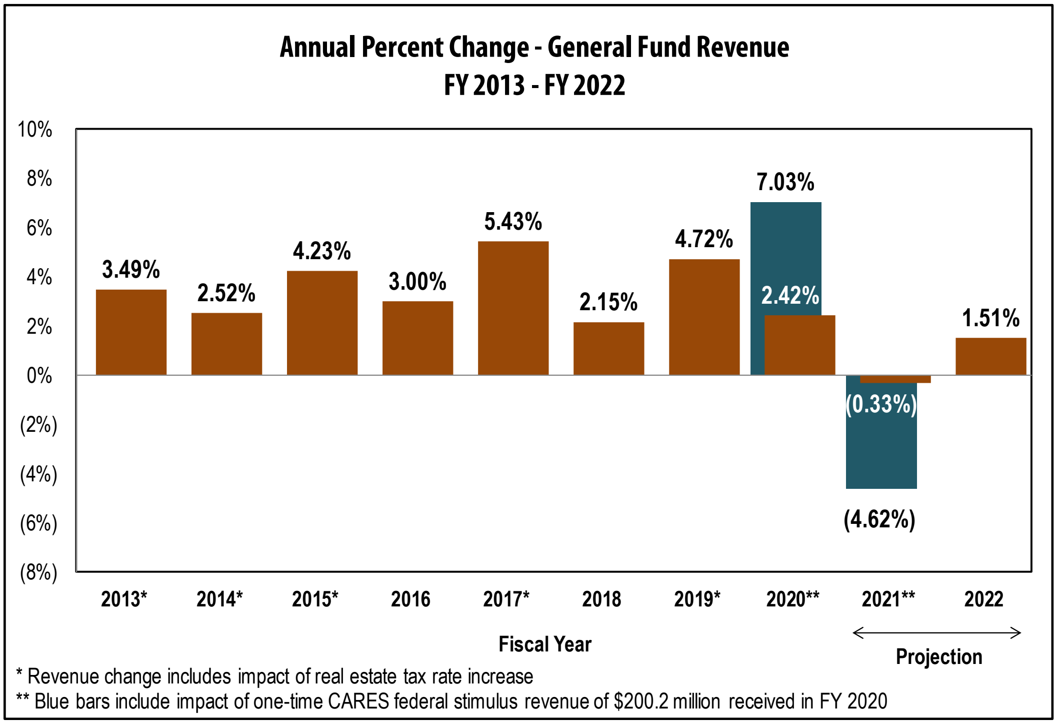
[1] FY 2021 revenue estimates were reduced a net $24.9 million as part of the *FY 2020 Carryover Review* and the *FY 2021 Mid-Year Review*. Explanations of these changes can be found in the following narrative. The *FY 2021 Third Quarter Review* may contain further adjustments, as necessary.

[2] The portion of the Personal Property Tax reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 is included in the Personal Property Tax category for the purpose of discussion in this section.

As reflected in the preceding table, FY 2022 General Fund revenues are projected to be $4,499,426,703, an increase of $42,227,164 or 0.9 percent over the FY 2021 Adopted Budget Plan. FY 2021 revenue estimates were reduced a net $24.9 million in a number of revenue categories as part of the *FY 2020 Carryover Review* and the *FY 2021 Mid-Year Review*. As a result, the FY 2022 General Fund revenue reflects an increase of $67,086,736 or 1.5 percent over the *FY 2021 Revised Budget Plan*, which contains the latest FY 2021 revenue estimates. The revenue increase in FY 2022 is primarily due to a 1.6 percent increase in Real Estate Tax revenue. Growth in Real Estate Tax revenue is the result of a 2.88 percent rise in the Real Estate assessment base, partially offset with a $0.01 reduction in the Real Estate Tax rate from $1.15 per $100 of assessed value to a proposed rate of $1.14 per $100 of assessed value. It should be noted that Real Estate tax revenue reflects the allocation of the projected value of one-half penny of the Real Estate tax rate ($13.57 million) to Fund 30300, Affordable Housing Development and Investment. In addition, Personal Property Taxes are projected to increase $11.7 million due to an increase in vehicle levy; and Other Local Taxes are expected to increase $14.7 million on projected growth in Local Sales Tax, Business, Professional, and Occupational License Tax, and Transient Occupancy Tax. Partially offsetting these increases is a projected $9.3 million decrease in Revenue from Use of Money and Property because of declining interest rates.

Incorporating Transfers In, FY 2022 General Fund receipts are anticipated to be $4,508,427,184. The Transfers In to the General Fund total $9.0 million and reflect $2.7 million from Fund 40030, Cable Communications, $2.9 million from Fund 69010, Sewer Operation and Maintenance, $1.1 million from Fund 40100, Stormwater Services, and $2.3 million from various other funds for indirect support provided by the County's General Fund agencies.

The following chart shows General Fund revenue growth since FY 2013. Revenues rose at an average annual growth rate of 3.2 percent in the period from FY 2013 to FY 2016. General Fund revenue in FY 2017 increased 5.43 percent primarily as a result of a 2.98 percent rise in real estate assessments and a 4-cent increase in the Real Estate tax rate. FY 2018 revenue increased 2.15 percent as a result of a 1.89 percent rise in real estate assessments, as well as modest growth in other revenue categories. In FY 2019, General Fund revenue increased 4.72 percent primarily as a result of a 3.59 percent rise in real estate assessments and a 2-cent increase in the Real Estate tax rate. General Fund revenue grew 7.03 percent in FY 2020 primarily as a result of the $200.2 million that the County received from the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund. Absent this one-time federal stimulus revenue, actual FY 2020 revenue would have increased 2.42 percent over FY 2019. A revenue decline of 4.62 percent is projected in FY 2021, mainly due to the one-time CARES revenue received in the previous fiscal year. In FY 2022, General Fund revenue is expected to increase 1.51 percent.



Economic Indicators

The COVID-19 pandemic brought the economic expansion, which had been the longest in U.S history, to an abrupt end during the first quarter of 2020. The pandemic forced many states to impose economic lockdowns based on the need to restrict the spread of the COVID-19 virus. In the first quarter of 2020, the US economy shrank at an annualized rate of 5.0 percent, then as the lockdowns took hold, at an annualized rate of 31.4 percent in the second quarter. As the virus abated during the summer months, many states partially reopened their economies, and the Gross Domestic Product increased 33.4 percent during the third quarter and 4.0 percent during the fourth quarter. For the entire year, the US economy shrank by 3.5 percent, the first such decline since the height of the financial crisis in 2009, and the largest decrease since 1946.

As the US economy partially shut down in the spring, the unemployment rate rocketed from a low of 3.5 percent in February to a peak of 14.8 percent in April. With the gradual and halting reopening of the economy, as of January 2021, the unemployment rate has fallen to 6.3 percent. In recent months, as Americans moved inside during the colder weather, the pandemic worsened, and the economy has slowed once again. The total employment increase over the last three months ending in January has been just 86,000. As of January 2021, the number of new weekly unemployment claims remains elevated at roughly four times the February 2020 level. Nationally, in many sectors of the economy, activity remains subdued. In recent weeks, domestic passenger volume was approximately 65 percent below the comparable weeks' volume last year. For the hotel industry, last year was the worst since the Great Depression, and occupancy rates continue to hover around 40 percent. December restaurant sales were down by over 20 percent compared to last year. On the other hand, retail sales have held up well and December retail sales were up 2.9 percent, driven mainly by online retail sales which increased by nearly 20 percent.

To deal with the economic effects of the pandemic, there has been unprecedented monetary and fiscal support for the economy. Early in 2020, the Federal Reserve cut its target for the federal funds rate to a range of 0 percent to 0.25 percent. It also stepped in with lending to support households, employers, and state and local governments, and reinstated a policy of asset purchases of Treasury securities and Agency mortgage-backed securities. The Federal Reserve has made clear that the accommodative monetary policy will continue until the pandemic-related economic dislocations have abated. In his January 2021 briefing, the Fed Chairman Jerome Powell said, "Our forward guidance for the federal funds rate along with our balance sheet guidance will ensure that the stance of monetary policy remains highly accommodative as the recovery progresses." He added that, "We are committed to using our full range of tools to support the economy and to help assure that the recovery from this difficult period will be as robust as possible." In addition to the Fed's monetary actions to limit permanent damage to the economy, the U.S. Congress has provided several packages of fiscal stimulus to businesses, households, and state and local governments, beginning with the $2.2 trillion CARES Act that was signed into law in March 2020. The County received $200.2 million from the CARES Act to cover necessary expenditures incurred due to the COVID-19 public health emergency. In December 2020, Congress passed the $900 billion Coronavirus Response and Relief Act which extended some of the provisions of the CARES Act including a new round of funding for the Paycheck Protection Program and a second round of stimulus payments. In January 2021, President Biden proposed a $1.9 trillion package to include a third round of stimulus payments, additional funding for vaccine distribution efforts, and additional aid to state and local governments.

During the Great Recession, the Washington region was an anomaly in that it shed fewer jobs than most other areas in the country as the federal government increased spending and hiring to prop up the economy. However, during this most recent recession, the Washington region's economy was not insulated from the effects of the pandemic. According to a report by George Mason University Stephen Fuller Institute, the Washington area's Gross Regional Product (GRP) is projected to decrease by 3.3 percent in 2020, the largest decrease on record, with data going back to 1990. However, much of the economic pain has been concentrated in lower wage sectors, and the changes in jobs and unemployment have not had the same impact as the jobs lost during the 2008/2009 recession and later during the sequestration, when higher paying jobs were lost. The sectors of the economy relying upon discretionary consumer spending have fared the worst, particularly in the service sector. In Northern Virginia, from December 2019 to December 2020, the overall number of jobs fell by 67,700 or 4.4 percent, while jobs in the Leisure and Hospitality sector decreased by 22.3 percent. The number of jobs in the well-paying Professional and Business Services sector actually increased by 0.2 percent during that period. Federal procurement spending accounts for about 30 percent of the Washington area's economy, and the workforce of federal contractors has recovered more quickly from pandemic-related disruptions and resumed more normal operations, even if many people continue to work from home. In December, the unemployment rate in Fairfax County was at 4.4 percent, much higher than last December's unemployment rate of 1.9 percent, but lower than the April high of 10.2 percent. The unemployment rate would be higher but for the fact that the total labor force also shrank by 4.1 percent, reflecting significantly lower labor market participation compared to pre-pandemic levels.

Current economic conditions make revenue forecasting very difficult. As the Federal Reserve Board's July 29 Federal Open Market Committee's statement made clear, "The path of the economy will depend significantly upon the path of the virus." The speed at which vaccines can be distributed will have a major impact on the rate of economic recovery. While many people continue to suffer greatly, overall personal income increased in 2020, partially as the result of pandemic relief programs. Because people have been unable to spend due to mandatory closures, the savings rate has also increased, and when the economy fully reopens, many economists think there is pent up demand for services, particularly in those sectors that have been hard hit by the pandemic such as travel and restaurants. It is also likely that the virus will have a major impact on how County residents work and do business, with significant economic effects likely to linger.

Local Housing Market
Based on information from Bright MLS, the average sales price of homes sold in Fairfax County rose 8.4 percent from $601,506 in 2019 to $652,320 in 2020. Home prices continue to increase primarily as a result of the tight inventory of homes for sale and low mortgage rates. Since 2009, the average home sales price has risen 56.4 percent, or at an average annual growth rate of 4.1 percent. Bright MLS also reported that 16,739 homes sold in the County in 2020, up 3.7 percent compared to 2019. Homes that sold during 2020 were on the market for an average of 19 days, down from 24 days in 2019.

Local Nonresidential Market
According to the Fairfax County Economic Development Authority, the direct office vacancy rate at year-end 2020 was 14.6 percent, up from 13.9 percent at year-end 2019. The overall office vacancy rate, which includes empty sublet space, was 15.5 percent at year-end 2020, up from 14.4 percent recorded at year-end 2019. The amount of empty office space increased to 18.5 million square feet.

At year-end 2020, office development continued around Metro stations in the Silver Line corridor and in other areas of the County as well. Seven office buildings, totaling approximately 2.9 million square feet, were under construction as of December 2020. The 1.2 million square feet of office that delivered in 2020 outpaced 2019's total by more than 600,000 square feet. Office leasing activity totaled more than 3.4 million square feet during the first half of 2020, compared to 4.6 million in the back half of 2019. The slowdown in leasing activity is due to the impact of COVID-19 as the majority of Fairfax County's office workforce adapted to remote work and leasing decisions were placed on hold.

In FY 2022, current and delinquent Real Estate Tax revenue comprises 67.7 percent of total County General Fund revenues. FY 2022 Real Estate property values were established as of January 1, 2021 and reflect market activity through calendar year 2020. The Real Estate Tax base is projected to increase 2.88 percent in FY 2022 and is made up of a 2.02 percent increase in total equalization (reassessment of existing residential and nonresidential properties), and an increase of 0.86 percent for new construction.

Major Revenue Sources

The following major revenue categories discussed in this section comprise 99.3 percent of total FY 2022 General Fund revenue. Unless otherwise indicated, comparative data are presented relative to the *FY 2021 Revised Budget Plan*. The revenue estimates for all General Fund Revenue categories are shown in the Summary Schedule of General Fund Revenues in the section of this volume titled "Financial, Statistical and Summary Tables."

Category	FY 2020 Actual	FY 2021 Adopted Budget Plan	FY 2021 Revised Budget Plan[1]	FY 2022 Advertised Budget Plan	Change from Revised	
					Increase / (Decrease)	% Change
Real Estate Tax - Current	$2,886,967,804	$2,991,964,451	$2,991,964,451	$3,039,404,623	$47,440,172	1.6%
Personal Property Tax - Current [2]	634,830,423	622,197,853	622,197,853	632,574,785	10,376,932	1.7%
Paid Locally	*423,516,479*	*410,883,909*	*410,883,909*	*421,260,841*	*10,376,932*	*2.5%*
Reimbursed by Commonwealth	*211,313,944*	*211,313,944*	*211,313,944*	*211,313,944*	*0*	*0.0%*
Business, Professional and Occupational License Tax-Current	173,840,544	154,912,776	154,912,776	164,207,543	9,294,767	6.0%
Local Sales Tax	191,092,140	171,031,788	194,350,951	199,209,725	4,858,774	2.5%
Recordation/Deed of Conveyance Taxes	38,648,450	31,212,155	35,376,957	35,730,727	353,770	1.0%
Bank Franchise Tax	21,259,422	23,654,317	23,654,317	23,654,317	0	0.0%
Gas & Electric Utility Taxes	44,940,753	45,639,081	45,639,081	45,639,081	0	0.0%
Communications Sales Tax	2,551,599	3,492,634	2,551,599	1,707,773	(843,826)	(33.1%)
Vehicle License Fee	27,319,481	27,052,146	27,052,146	27,052,146	0	0.0%
Transient Occupancy Tax	15,778,992	16,443,857	6,950,000	7,645,000	695,000	10.0%
Cigarette Tax	5,428,504	5,422,269	5,009,455	4,959,360	(50,095)	(1.0%)
Permits, Fees and Regulatory Licenses	54,002,649	49,642,908	49,642,908	49,642,908	0	0.0%
Investment Interest	64,050,920	21,923,617	21,923,617	12,638,976	(9,284,641)	(42.3%)
Charges for Services	70,109,331	83,119,246	56,526,667	57,104,738	578,071	1.0%
Fines and Forfeitures	10,001,169	11,795,664	7,934,518	8,727,970	793,452	10.0%
Recovered Costs/ Other Revenue	15,486,983	16,234,444	15,526,944	15,526,944	0	0.0%
Revenue from the Commonwealth and Federal Government [2]	344,430,212	141,634,775	142,528,874	142,528,874	0	0.0%
Total Major Revenue Sources	**$4,600,739,376**	**$4,417,373,981**	**$4,403,743,114**	**$4,467,955,490**	**$64,212,376**	**1.5%**

[1] FY 2021 revenue estimates were reduced a net $24.9 million as part of the *FY 2020 Carryover Review* and the *FY 2021 Mid-Year Review*. Explanations of these changes can be found in the following narrative. The *FY 2021 Third Quarter Review* may contain further adjustments, as necessary.

[2] The portion of the Personal Property Tax reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 is included in the Personal Property Tax category for the purpose of discussion in this section.

Real Estate Taxes

REAL ESTATE TAX-CURRENT

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	Increase/ (Decrease)	Percent Change
$2,886,967,804	$2,991,964,451	$2,991,964,451	$3,039,404,623	$47,440,172	1.6%

The FY 2022 Advertised Budget Plan estimate for Current Real Estate Taxes is $3,039,404,623 and represents an increase of $47,440,172 or 1.6 percent over the *FY 2021 Revised Budget Plan* estimate. The revenue increase is the result of a 2.88 percent increase in the FY 2022 valuation of real property, as compared to the FY 2021 Real Estate Land Book, partially offset by a revenue decrease associated with a $0.01 decrease in the proposed Real Estate tax rate from $1.15 to $1.14 per $100 of assessed value.

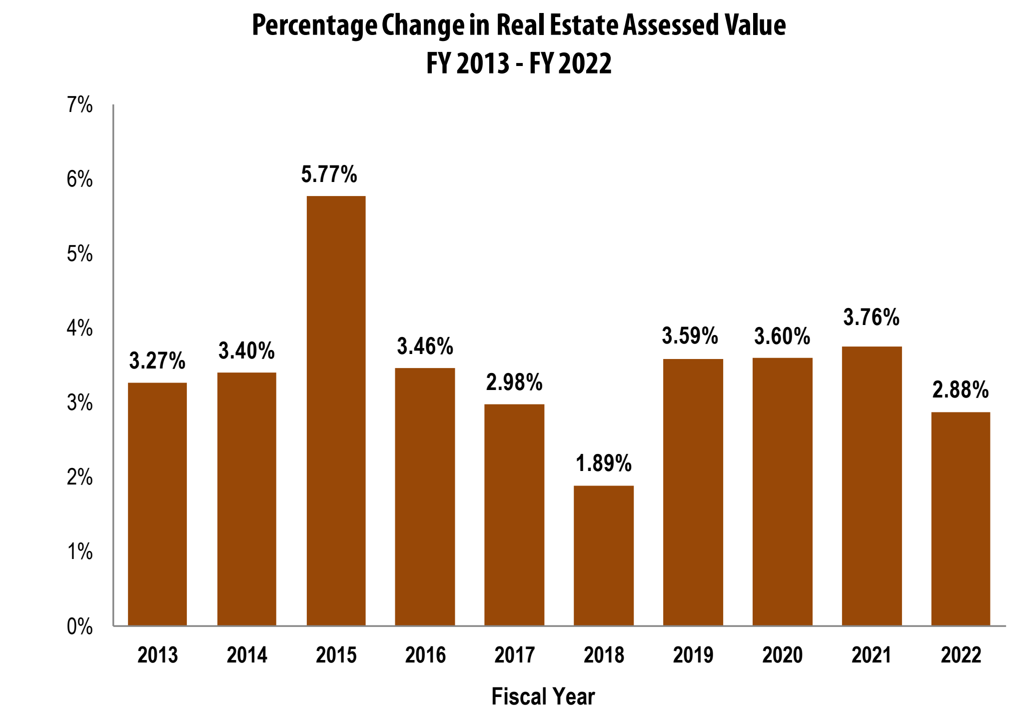
The FY 2022 Advertised Budget Plan includes a proposed Real Estate Tax rate decrease of $0.01 to $1.14 per $100 of assessed value in FY 2022 from the $1.15 per $100 of assessed value in FY 2021. The decrease in Real Estate revenue associated with the proposed $0.01 decrease in the Real Estate tax rate is $26,823,304. In addition, the Real Estate Tax rate impacts two classes of Personal Property: mobile homes and non-vehicle Public Service Corporation property. The total General Fund impact of the $0.01 decrease in the proposed Real Estate tax rate is $27,140,560.

The FY 2022 value of assessed real property represents an increase of 2.88 percent, as compared to the FY 2021 Real Estate Land Book, and is comprised of an increase in equalization of 2.02 percent and an increase of 0.86 percent associated with new construction. The FY 2022 figures reflected in this document are based on final assessments for Tax Year 2021 (FY 2022), which were established as of January 1, 2021. In addition to the revenue shown in the table above, the projected value of one-half penny on the Real Estate Tax rate ($13.57 million) is allocated to Fund 30300, Affordable Housing Development and Investment, and $4.9 million is allocated to Fund 70040, Mosaic District Community Development Authority. Throughout FY 2022, Real Estate Tax revenues will be adjusted as necessary to reflect changes in exonerations, tax abatements, and supplemental assessments, as well as any differences in the projected collection rate of 99.50 percent.

The FY 2022 Main Assessment Book Value is $272,418,491,610 and represents an increase of $7,624,846,880, or 2.88 percent, over the FY 2021 main assessment book value of $264,793,644,730.

From FY 2005 through FY 2007, the assessment base experienced double-digit advances. Deceleration began in FY 2008, when the assessment base rose just 4.15 percent, and continued in FY 2009 with a modest increase of 0.51 percent. Following the financial crisis and a general decline in economic conditions, the FY 2010 assessment base declined 9.95 percent, which was the largest drop on record. The assessment base decreased for a second consecutive year in FY 2011, declining 9.20 percent. Since FY 2012, the assessment base has experienced an average annual growth of 3.46 percent through FY 2022.

The following chart shows changes in the County's assessed value base from FY 2013 to FY 2022.



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Equalization	2.53%	2.63%	4.84%	2.40%	1.94%	0.97%	2.58%	2.45%	2.71%	2.02%
Res	0.71%	3.50%	6.54%	3.39%	1.64%	0.68%	2.17%	2.36%	2.65%	4.25%
NonRes	8.21%	0.14%	(0.10%)	(0.60%)	2.87%	1.85%	3.79%	2.71%	2.87%	(4.05%)
Growth	0.74%	0.77%	0.93%	1.06%	1.04%	0.92%	1.01%	1.15%	1.05%	0.86%
TOTAL	3.27%	3.40%	5.77%	3.46%	2.98%	1.89%	3.59%	3.60%	3.76%	2.88%

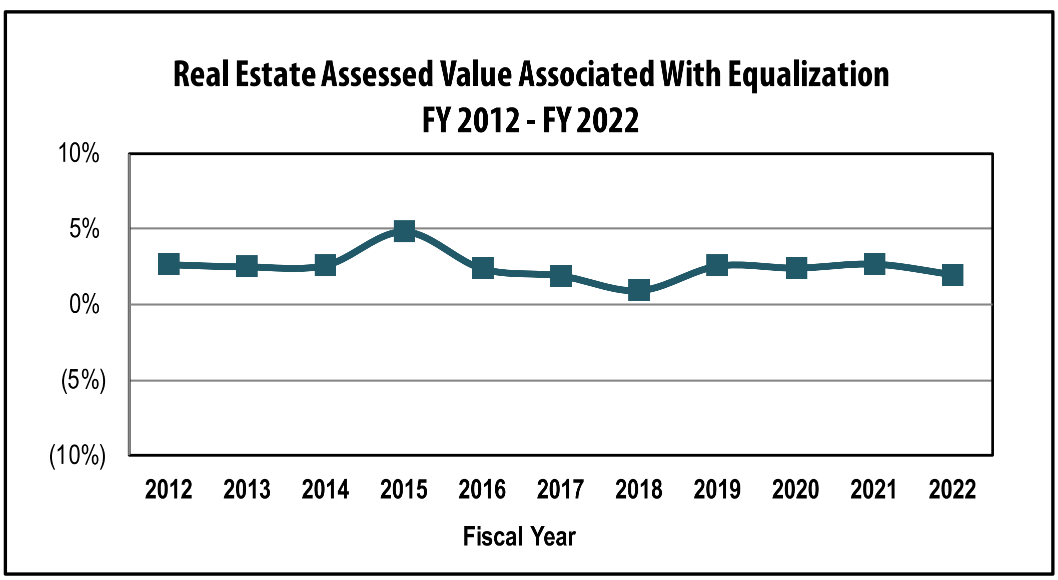
The overall change in the assessment base is comprised of equalization and normal growth. For reporting purposes, individual properties are identified as being in either the equalization category or the growth category, but not both. Equalization properties are those whose values change due to market fluctuations. Growth is a category of properties whose value changes are also influenced by new construction, remodeling or rezonings. Once growth factors are identified, the entire property value is shown in the growth category, even though the property is also influenced by equalization. The FY 2022 assessment base reflects a total equalization increase of 2.02 percent and an increase of 0.86 percent associated with the growth component. As a result of changes in equalization and growth, the residential portion of the total assessment base increased from 72.88 percent in FY 2021 to 74.33 percent in FY 2022. The following table reflects changes in the Real Estate Tax assessment base from FY 2016 through FY 2022.

Main Real Estate Assessment Book Value and Changes

(in millions)

Assessed Base Change Due To:	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Equalization	**$5,269.7**	**$4,401.5**	**$2,269.9**	**$6,140.1**	**$6,032.5**	**$6,908.6**	**$5,340.6**
% Change	2.40%	1.94%	0.97%	2.58%	2.45%	2.71%	2.02%
Residential	3.39%	1.64%	0.68%	2.17%	2.36%	2.65%	4.25%
Nonresidential	(0.60%)	2.87%	1.85%	3.79%	2.71%	2.87%	(4.05%)
Normal Growth	**$2,318.0**	**$2,362.6**	**$2,148.1**	**$2,403.1**	**$2,825.1**	**$2,693.0**	**$2,284.2**
% Change	1.06%	1.04%	0.92%	1.01%	1.15%	1.05%	0.86%
Residential	0.51%	0.56%	0.36%	0.57%	0.68%	0.67%	0.76%
Nonresidential	2.74%	2.54%	2.61%	2.29%	2.47%	2.10%	1.13%
Total Change	**$7,587.7**	**$6,764.2**	**$4,418.0**	**$8,543.2**	**$8,857.6**	**$9,601.7**	**$7,624.8**
% Change	3.46%	2.98%	1.89%	3.59%	3.60%	3.76%	2.88%
Total Book	$226,609.0	$233,373.1	$237,791.1	$246,334.3	$255,192.0	$264,793.6	$272,418.5

Equalization, or reassessment of existing residential and nonresidential property, represents an increase in value of $5,340,606,390, or 2.02 percent, in FY 2022. Residential property values rose in FY 2022 while non-residential property values decreased, breaking a string of five years in which growth in non-residential equalization has been higher than that of residential. Overall, residential equalization reflects a 4.25 percent increase in FY 2022, compared to a 2.65 percent increase in FY 2021. Nonresidential equalization fell 4.05 percent in FY 2022, compared to a 2.87 percent increase in FY 2021. Changes in the assessment base as a result of equalization are shown in the following graph.



Residential equalization rose at double digit rates from FY 2002 through FY 2007 due to high demand but a limited supply of housing. Strong job growth, the easy availability of credit and profit-led speculation contributed to price appreciation in the local housing market. This rapid appreciation in home values was followed by several years of declines from FY 2008 through FY 2011 during the

Great Recession and the housing market crisis, as the inventory of homes for sale grew and home prices dropped in the County, as they did throughout the Northern Virginia area. Since FY 2012, the value of residential properties in the County has increased every year. The total value of residential properties including new construction in FY 2022 is $203.3 billion.

The County's median assessment to sales ratio is in the mid-90 percent range, well within professional standards that assessments should be between 90 percent to 110 percent of the sales prices experienced in a neighborhood.

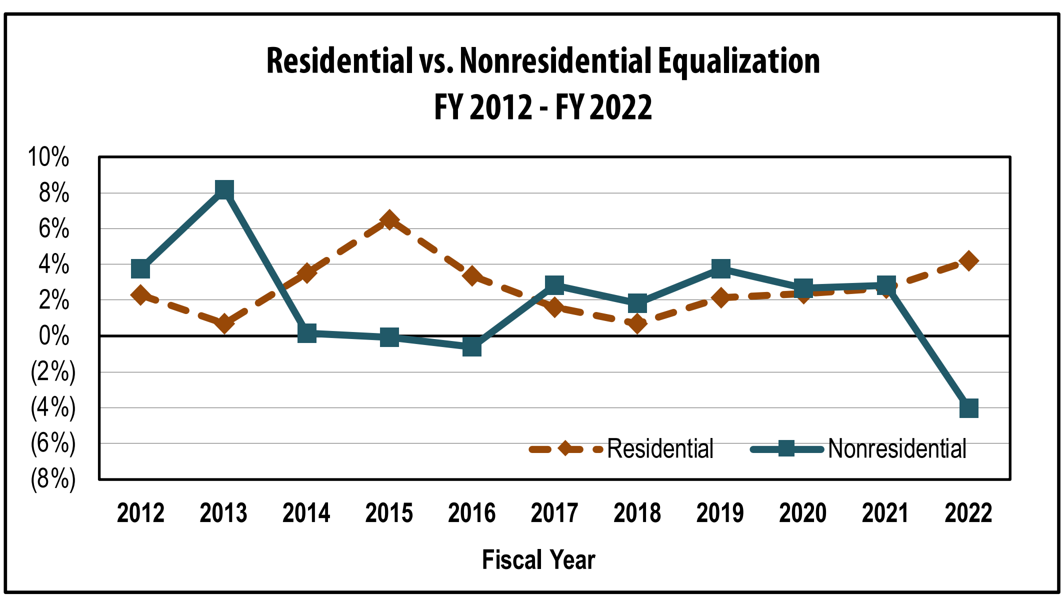
Overall, single family property values increased 4.17 percent in FY 2022. The value of single-family homes has the most impact on the total residential base because they represent 71.1 percent of the total. The value of townhouse properties increased 5.13 percent in FY 2022, while that of condominium properties increased 4.62 percent. Changes in residential equalization by housing type since FY 2017 are shown in the following table. Changes represented in this chart are for the category as a whole. Individual neighborhoods and properties may have increased or decreased by different percentages based on neighborhood selling prices.

Residential Equalization Changes

Housing Type/ (Percent of Base)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Single Family (71.1%)	1.69%	0.62%	2.11%	2.17%	2.36%	4.17%
Townhouse/Duplex (20.2%)	2.05%	1.37%	2.86%	3.12%	3.43%	5.13%
Condominiums (8.2%)	0.73%	(0.32%)	1.68%	2.98%	4.36%	4.62%
Vacant Land (0.4%)	0.92%	0.03%	2.01%	3.11%	1.89%	2.07%
Other (0.1%)[1]	6.42%	9.52%	9.70%	1.67%	0.35%	1.95%
Total Residential Equalization (100%)	**1.64%**	**0.68%**	**2.17%**	**2.36%**	**2.65%**	**4.25%**

[1] Includes, for example, affordable dwelling units, recreational use properties, and agricultural and forestal land use properties.

As a result of the increase in residential equalization, the mean assessed value of all existing residential property in the County is $607,752. This is an increase of $24,776 over the FY 2021 value of $582,976. At the proposed Real Estate tax rate of $1.14 per $100 of assessed value, the typical residential annual tax bill will rise, on average, $224.15 in FY 2022 to $6,928.37.

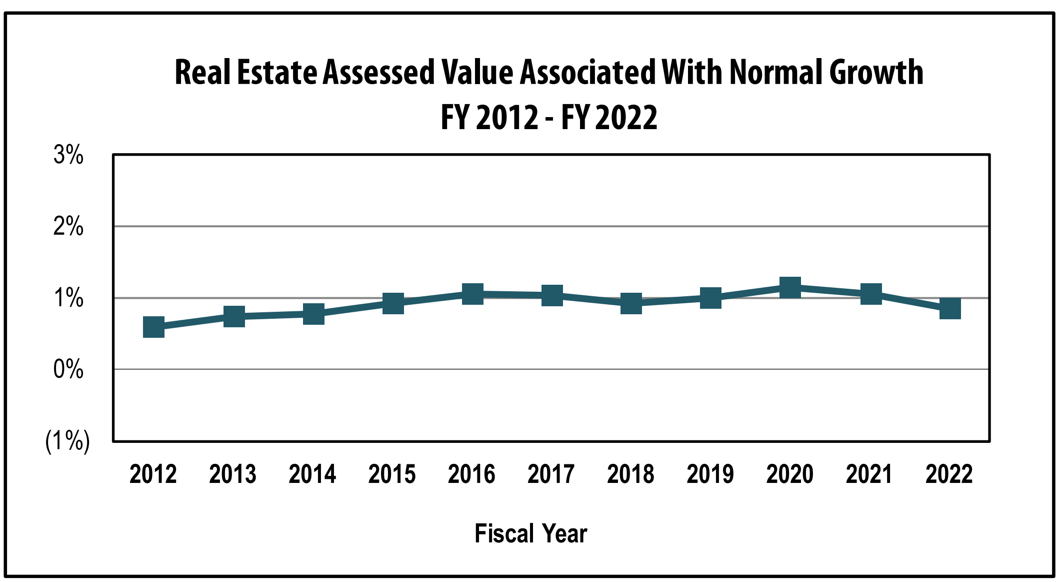


After experiencing a record decline of 18.29 percent in FY 2011, nonresidential equalization rebounded 3.73 percent in FY 2012, and a strong 8.21 percent in FY 2013. In FY 2014, nonresidential values stayed essentially level with FY 2013, increasing only 0.14 percent. In FY 2015 and FY 2016, nonresidential values decreased a slight 0.10 percent and another 0.60 percent, respectively. From FY 2017 to FY 2021, growth in nonresidential equalization was higher than that of residential equalization. The trend ended in FY 2022 when nonresidential equalization decreased by 4.05 percent. Most nonresidential categories experienced an assessment decrease in FY 2022 as a result of the COVID-19 pandemic. Most impacted were hotels, which decreased by 44.2 percent. Retail properties decreased 10.2 percent in FY 2022 after a 2.59 percent rise in FY 2021. Office Elevator properties (mid- and high-rises), the largest component of the nonresidential tax base at 31.2 percent, experienced a decrease of 4.42 percent in FY 2022 after increasing 4.01 percent in FY 2021. Apartment values, which represent 27.5 percent of the total nonresidential base, rose 2.78 percent in FY 2022. The total value of nonresidential properties including new construction in FY 2022 is $69.1 billion. Nonresidential equalization changes by category since FY 2017 are presented in the following table.

Nonresidential Equalization Changes

Category (Percent of Base)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Apartments (27.5%)	2.92%	3.37%	2.40%	2.13%	4.37%	2.78%
Office Condominiums (3.8%)	1.86%	0.49%	1.19%	1.77%	0.43%	(0.59%)
Industrial (7.2%)	7.43%	(0.26%)	9.61%	5.90%	2.01%	0.14%
Retail (16.3%)	1.60%	7.39%	7.00%	1.66%	2.59%	(10.20%)
Office Elevator (31.2%)	3.42%	(1.39%)	2.82%	3.32%	4.01%	(4.42%)
Office - Low Rise (2.7%)	1.73%	1.39%	1.11%	2.75%	1.77%	(3.28%)
Vacant Land (3.1%)	1.50%	(1.17%)	(0.35%)	4.28%	(0.13%)	(5.36%)
Hotels (2.0%)	3.61%	(0.12%)	8.13%	6.62%	2.23%	(44.20%)
Other (6.2%)	3.70%	6.73%	6.13%	2.80%	1.52%	(3.75%)
Nonresidential Equalization (100%)	**2.87%**	**1.85%**	**3.79%**	**2.71%**	**2.87%**	**(4.05%)**

The Growth component increased the FY 2022 assessment base by $2,284,240,490, or 0.86 percent, over the FY 2021 assessment book value. New construction increased the residential property base by 0.76 percent and nonresidential properties by 1.13 percent.



In addition to the final equalization and normal growth adjustments in the Main Assessment Book, the following projected adjustments were made to the FY 2022 Real Estate Tax revenue estimate:

Exonerations, Certificates and Tax Abatements are anticipated to reduce the Real Estate assessment base by $1,529.0 million in FY 2022, resulting in a reduction in levy of $17.4 million.

Additional Assessments expected to be included in the new Real Estate base total $525.0 million, or a levy increase of $6.0 million, and include both prorated assessments and additional supplemental assessments. Prorated assessments are supplemental assessments that include assessments which are made during the year for new construction that is completed subsequent to finalizing the original assessment book.

The Real Estate Tax Relief Program is projected to reduce the Real Estate assessment base in FY 2022 by $3,020.0 million. The reduction in tax levy due to the Tax Relief program is approximately $34.4 million at the proposed Real Estate tax rate of $1.14 per $100 of assessed value. In FY 2022, the income limits of the Tax Relief program provide 100 percent exemption for elderly and disabled taxpayers with incomes up to $52,000; 50 percent exemption for eligible applicants with income between $52,001 and $62,000; and 25 percent exemption if income is between $62,001 and $72,000. The allowable asset limit in FY 2022 is $340,000 for all ranges of tax relief. Veterans, who have a 100 percent permanent and total disability related to military service, or their surviving spouse, are eligible for full Real Estate Tax relief regardless of income or assets. In addition, the surviving spouse of a veteran who has been killed in action may be eligible for a full or partial exemption of real estate taxes for their principal residence and up to one acre of land. For tax years beginning on or after January 1, 2017, a surviving spouse of a first responder killed in the line of duty may be eligible for a full or partial exemption of real estate taxes for their principal residence and up to one acre of land. The following table shows FY 2022 income and asset thresholds for the Real Estate Tax Relief Program.

FY 2022 Real Estate Tax Relief Program

	Income Limit	Asset Limit	Percent Relief
Elderly and Disabled	Up to $52,000 Over $52,000 to $62,000 Over $62,000 to $72,000	$340,000	100% 50% 25%
100% Disabled Veterans or Surviving Spouse	No Limit	No Limit	100%
Surviving Spouse of Veteran Killed in Action or First Responder Killed in the Line of Duty	No Limit	No Limit	Full or partial based on mean assessed value

The FY 2022 local assessment base of $268,394,491,610 is derived from the main assessment book and subsequent adjustments discussed above. From this local assessment base, a local tax levy of $3,059,697,204 is calculated using the proposed Real Estate Tax rate of $1.14 per $100 of assessed value. Based on an expected local collection rate of 99.50 percent, revenue from local assessments is estimated to be $3,044,398,718. In FY 2022, every 0.01 percentage point change in the collection rate on the locally assessed Real Estate Tax levy yields a revenue change of $0.3 million, while every penny on the tax rate yields $27.1 million in revenue.

Added to the local assessment base is an estimated $1,180,519,880 in assessed value for Public Service Corporations (PSC) property. Using the proposed Real Estate tax rate of $1.14 per $100 of assessed value, the tax levy on PSC property is $13,457,927. The collection rate on PSC property is expected to be 100.0 percent.

The total assessment base, including Public Service Corporations, is $269,575,011,490, with a total tax levy of $3,073,155,131 at the proposed Real Estate Tax rate of $1.14 per $100 of assessed value. Estimated FY 2022 revenue from the Real Estate Tax, including receipts from Public Service Corporations totals $3,057,856,645. Of this amount, the approximate value one-half cent on the Real Estate Tax rate, $13,570,000, has been directed to Fund 30300, Affordable Housing Development and Investment, and $4,882,022 has been directed to Fund 70040, Mosaic District Community Development Authority.

FY 2022 Estimated Real Estate Assessments and Tax Levy

	Assessed Value	FY 2022 Tax Levy at $1.14/$100 of Assessed Value
FY 2021 Real Estate Book	$264,793,644,730	$3,018,647,549
FY 2022 Equalization	5,340,606,390	$60,882,913
FY 2022 Growth	2,284,240,490	26,040,342
TOTAL FY 2022 REAL ESTATE BOOK	**$272,418,491,610**	**$3,105,570,804**
Exonerations	($1,500,000,000)	($17,100,000)
Certificates	(11,000,000)	(125,400)
Tax Abatements	(18,000,000)	(205,200)
Subtotal Exonerations	**($1,529,000,000)**	**($17,430,600)**
Supplemental Assessments	$525,000,000	$5,985,000
Tax Relief	(3,020,000,000)	(34,428,000)
Local Assessments	**$268,394,491,610**	**$3,059,697,204**
Public Service Corporation	$1,180,519,880	$13,457,927
TOTAL[1]	**$269,575,011,490**	**$3,073,155,131**

[1] Includes the Mosaic District Tax Increment Financing (TIF) assessed value based on the difference between the 2007 Base Assessed Value and the Current Assessed Value, which in FY 2022 is $625,288,970, with a tax levy of $7,128,294.

Mosaic District Community Development Authority (CDA) was created to assist commercial investment in the Merrifield area of the County. The Mosaic CDA issued bonds, the proceeds from which are to be used to finance certain public infrastructure improvements within the Mosaic District to support mixed-use development within the District. The CDA bonds are payable primarily from certain incremental real estate tax revenues collected by the County in the District. The Mosaic District Tax Increment Financing (TIF) assessed value is based on the difference between the 2007 Base Assessed Value and the Current Assessed Value, which in FY 2022 is $625,288,970, with a tax levy of $7,128,294 at the proposed Real Estate Tax rate of $1.14 per $100 of assessed value.

Based on an expected collection rate of 99.50 percent, revenue from the Mosaic TIF tax assessment is estimated to be $7,092,653. Per the bond documents, the County is to transfer to the CDA only those tax increment revenues required for debt service payments, which equates to $4,882,022 in FY 2022. Accordingly, the difference of $2,210,631 will be retained in the General Fund. For more information, see Fund 70040, Mosaic District Community Development Authority, in Volume 2 of the budget.

Total General Fund revenue from the Real Estate Tax is $3,039,404,623. The total local collection rates experienced in this category since FY 2007 are shown in the following table:

Real Estate Tax Local Collection Rates

Fiscal Year	Collection Rate	Fiscal Year	Collection Rate
2007	99.64%	**2015**	99.77%
2008	99.66%	**2016**	99.75%
2009	99.66%	**2017**	99.79%
2010	99.71%	**2018**	99.74%
2011	99.67%	**2019**	99.75%
2012	99.69%	**2020**	99.75%
2013	99.71%	**2021 (estimated)**	99.70%
2014	99.74%	**2022 (estimated)[1]**	99.50%

[1] In FY 2022, every 0.1 percentage point change in the collection rate yields a revenue change of $3.1 million.

The Commercial/Industrial percentage of the County's FY 2022 Real Estate Tax base is 18.17 percent, a decrease of 1.55 percentage point from the FY 2021 level of 19.72 percent. Commercial/Industrial property values as a percentage of the Real Estate Tax base decreased in FY 2022 as a result of strong growth in residential real estate values and COVID-19 pandemic related economic disruptions that affected many categories of commercial property. The Commercial/Industrial percentage is based on Virginia land use codes and includes all nonresidential property except multi-family rental apartments, which make up 7.50 percent of the County's Real Estate Tax base in FY 2022. Fairfax County's historical Commercial/Industrial percentages are detailed in the following table:

Commercial/Industrial Percentages

Fiscal Year	Percentage	Fiscal Year	Percentage
2007	17.22%	**2015**	19.01%
2008	19.23%	**2016**	18.67%
2009	21.06%	**2017**	18.89%
2010	22.67%	**2018**	19.12%
2011	19.70%	**2019**	19.43%
2012	19.64%	**2020**	19.66%
2013	20.77%	**2021**	19.72%
2014	19.96%	**2022**	18.17%

FY 2021 Current Real Estate Tax Revenue

Since the adoption of the FY 2021 budget, there have been no changes to the FY 2021 Current Real Estate Tax estimate. It should be noted that the estimate for Delinquent Real Estate Tax revenue was decreased $2.7 million during the *FY 2020 Carryover Review*. The decrease was to account for adjustments associated with the Board of Supervisors' decision to reduce penalties for late payment of Real Estate taxes in response to the COVID-19 pandemic.

Personal Property Taxes

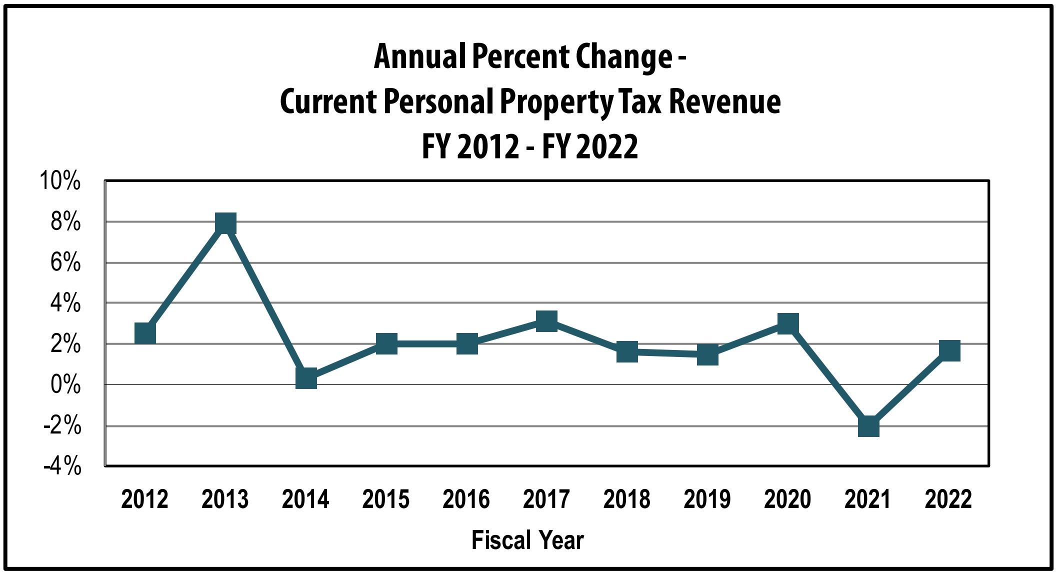
PERSONAL PROPERTY TAX-CURRENT

	FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	Increase/ (Decrease)	Percent Change
Paid Locally	$423,516,479	$410,883,909	$410,883,909	$421,260,841	$10,376,932	2.5%
Reimbursed by State	211,313,944	211,313,944	211,313,944	211,313,944	0	0.0%
Total	**$634,830,423**	**$622,197,853**	**$622,197,853**	**$632,574,785**	**$10,376,932**	**1.7%**

The FY 2022 Advertised Budget Plan estimate for Personal Property Tax revenue of $632,574,785 represents an increase of $10,376,932 or 1.7 percent over the *FY 2021 Revised Budget Plan* estimate. The increase is due to a projected higher average vehicle levy based on a preliminary analysis of vehicles currently in the County valued with information from the National Automobile Dealers Association. This increase is partially offset with a revenue decrease of $0.3 million resulting from the proposed $0.01 decrease in the Real Estate Tax rate to $1.14 per $100 of assessed value, which impacts two classes of personal property: mobile homes and non-vehicle Public Service Corporation property.

The Personal Property Tax on vehicles represents 76.2 percent of the total assessment base in FY 2022. The vehicle component is comprised of two parts, that which is paid locally and that which is reimbursed by the Commonwealth of Virginia to the County as a result of the Personal Property Tax Relief Act (PPTRA) of 1998. The PPTRA reduces the Personal Property Tax paid on the first $20,000 of the value for vehicles owned by individuals. In FY 1999, the first year of implementation, taxpayers were billed for the entire amount of tax levy and received a refund of 12.5 percent of the tax on the first $20,000 of the value of their personal vehicle from the Commonwealth of Virginia. Vehicles valued less than $1,000 were refunded 100 percent. From FY 2000 to FY 2002, the PPTRA reduced the Personal Property Taxes paid by citizens by 27.5 percent, 47.5 percent, and 70 percent, respectively, with an offsetting reimbursement paid to the County by the Commonwealth. Under the original approved plan, taxes paid by individuals were to be reduced by 100 percent in FY 2003. However, due to the Commonwealth's lower than anticipated General Fund revenue growth, the reimbursement rate remained at 70 percent in FY 2003 through FY 2006. The 2004 General Assembly approved legislation that capped statewide Personal Property Tax reimbursements at $950 million in FY 2007 and beyond. Fairfax County's allocation has been set at $211.3 million based on the County's share of statewide tax year 2004 collections. Each year County staff must determine the reimbursement percentage based on the County's fixed reimbursement from the state and an estimate of the number and value of vehicles that will be eligible for tax relief. Due to a continued increase in vehicle volume in the County and increasing average vehicle levy, the reimbursement percentage has been declining in recent years. Based on an estimate of the number and value of vehicles that will be eligible for tax relief in FY 2022, the reimbursement percentage is anticipated to remain unchanged at 58.5 percent.

Annual percentage changes in total Personal Property Tax revenues are shown in the following graph.



From FY 2012 through FY 2019, annual growth in Personal Property Tax receipts has averaged 2.6 percent. During this period, as illustrated in the chart above, a sharp increase of 7.9 percent occurred in FY 2013. A reduction in the supply of new vehicles increased prices of both new and used automobiles. The decrease in supply was a result of a decline in U.S. auto production due to the slowdown in the economy and the earthquake and tsunami in Japan, which not only impacted Japanese automakers but also U.S. automakers that rely on parts from Japan. This situation caused the value of many used vehicles to depreciate less than what traditionally has been experienced and resulted in some vehicles actually appreciating over the year. This was not unique to Fairfax County, but was experienced nationwide.

Personal Property Tax receipts increased 3.0 percent in FY 2020, and a decline of 2.0 percent is projected in FY 2021 as a result of COVID-19. Staff from the Department of Tax Administration has been tracking the number of registered vehicles in the County throughout 2020 and has noted a significant decline in new vehicle purchases, as well as new move-ins to the County. Some of the decline may be attributable to delays in registering vehicles with DMV (Department of Motor Vehicles) as a result of changes in the operating status of DMV branches, many of which are currently serving customers by appointment only. In FY 2022, the projected increase in the vehicle levy is based on a preliminary analysis of vehicles in the County valued with information from the National Automobile Dealers Associations (NADA), which indicates a significant increase in average vehicle values. While in April 2020 used car prices fell to their lowest level since early 2010, by year-end 2020 they recovered and were significantly greater than pre-virus level driven by inventory constraints. The projected decline in vehicle volume in the County is expected to be more than offset in FY 2022 by the rise in used vehicle values. In its February market update, NADA indicated that in 2021 used car prices are expected to remain higher than pre-virus levels as pandemic-related macroeconomic headwinds remain in place. However, NADA cautioned that a great deal of uncertainty still remains surrounding the vaccine roll out, federal stimulus, employment conditions, and new vehicle production constraints, which could result in increased car market volatility.

Changes in vehicle volume and average vehicle levy since FY 2012 are shown in the following table.

Fairfax County Personal Property Vehicles

Fiscal Year	% Change in Vehicle Volume	Average Vehicle Levy	% Change in Average Levy
FY 2012	0.7%	$411	3.5%
FY 2013	0.7%	$437	6.3%
FY 2014	0.9%	$445	1.8%
FY 2015	0.0%	$451	1.3%
FY 2016	0.0%	$457	1.3%
FY 2017	0.7%	$468	2.4%
FY 2018	0.8%	$469	0.1%
FY 2019	0.0%	$478	2.0%
FY 2020	(0.1%)	$495	3.5%
FY 2021 (est.)	(0.1%)	$491	(0.8%)
FY 2022 (est.)	(3.8%)	$513	4.5%

Business Personal Property is primarily composed of assessments on furniture, fixtures, and computer equipment. Business levy is impacted by the number of new businesses and whether existing businesses are expanding or contracting. As government contractors cut back employment due to lower federal procurement spending, they delayed business expansions. Business levy rose a modest 0.8 percent in FY 2014 and 1.0 percent in FY 2015. Growth accelerated in FY 2016 to 1.2 percent and a strong 4.4 percent in FY 2017. Business levy decreased a slight 0.2 percent in FY 2018, likely due to depreciating value of newly acquired business personal property one year after acquisition, particularly given the strong growth experienced in FY 2017. Federal procurement spending in the County has continued to increase after the decline experienced due to the sequester, along with employment growth in Professional and Business Services jobs. Business personal property levy grew 0.6 percent in FY 2019 and 3.4 percent in FY 2020. At the time of the development of the FY 2021 Adopted Budget Plan, a decline of 3.0 percent was projected for business personal property levy as a result of the impact of the COVID-19 pandemic. However, based on actual business filings, growth of 3.9 percent is currently expected for FY 2021. In FY 2022, business personal property levy is anticipated to remain at the FY 2021 level.

In accordance with assessment principles and the Code of Virginia, which require that property is taxed at fair market value, the Department of Tax Administration (DTA) reviews the depreciation rate schedule for computer hardware due to the speed with which computer values change. The current schedule depreciates computer equipment 50 percent, one year after acquisition. In subsequent years, the percent of the original purchase price taxed is 35 percent, 20 percent, and 10 percent, in year two, three and four, respectively. After five or more years, computer equipment is valued at 2 percent of its original acquisition price.

Personal Property Tax revenue estimates are based on a tax rate of $4.57 per $100 of valuation for vehicles and business property, and a tax rate of $1.14 per $100 of valuation for mobile homes and non-vehicle Public Service Corporations properties. The following table details the estimated assessed value and associated levy for components of the Personal Property Tax.

FY 2022 Estimated Personal Property Assessments and Tax Levy

Category	FY 2022 Assessed Value	Tax Rate (per $100)	FY 2022 Tax Levy	Percent of Total Levy
Vehicles				
Privately Owned	$10,173,500,040	$4.57	$407,386,393	63.5%
Business Owned	604,487,257	4.57	24,622,396	3.8%
Leased	1,427,696,196	4.57	57,543,766	9.0%
Subtotal	**$12,205,683,494**		**$489,552,555**	**76.3%**
Business Personal Property				
Furniture and Fixtures	$2,186,516,834	$4.57	$100,610,924	15.7%
Computer Equipment	791,333,213	4.57	36,391,469	5.7%
Machinery and Tools	29,504,608	4.57	1,349,046	0.2%
Research and Development	206,149	4.57	9,421	0.0%
Subtotal	**$3,007,560,804**		**$138,360,860**	**21.6%**
Other Personal Property				
Boats, Trailers, Miscellaneous	$19,637,527	$4.57	$897,435	0.1%
Mobile Homes	15,176,754	1.14	173,015	0.1%
Subtotal	**$34,814,282**		**$1,070,450**	**0.2%**
Exonerations	($92,391,636)	$4.57	($29,530,753)	(4.6%)
Omitted Assessments	282,908,732	4.57	6,289,853	1.0%
Total Local Assessed Value and Levy	**$15,438,575,675**		**$605,742,965**	**94.3%**
Public Service Corporations				
Equalized	$3,157,625,350	$1.14	$35,996,929	5.6%
Vehicles	6,591,554	4.57	301,234	0.0%
Subtotal	$3,164,216,904		$36,298,163	5.7%
TOTAL	**$18,602,792,579**		**$642,041,128**	**100.0%**

FY 2022 Personal Property Tax assessments including Public Service Corporations are $18,602,792,579, with a total tax levy of $642,041,128. Personal Property Tax revenue collections are projected to be $632,574,785, of which $211.3 million will be reimbursed from the state. The collection rate associated with the taxpayer's share is estimated to be 97.6 percent. Total collection rates experienced in this category since FY 2007 are shown in the following table:

Personal Property Tax Collection Rates

Fiscal Year	Collection Rate	Fiscal Year	Collection Rate
2007	98.3%	**2015**	98.4%
2008	98.0%	**2016**	98.5%
2009	97.9%	**2017**	98.4%
2010	97.8%	**2018**	98.3%
2011	97.9%	**2019**	98.0%
2012	98.2%	**2020**	97.6%
2013	98.4%	**2021 (estimated)**	97.6%
2014	97.4%	**2022 (estimated)**[1]	97.6%

[1] In FY 2022, each 0.1 percentage point change in the collection rate on the local tax levy will impact revenues by approximately $0.4 million, and each penny on the tax rate yields a revenue change of $1.3 million.

FY 2021 Current Personal Property Tax Revenue

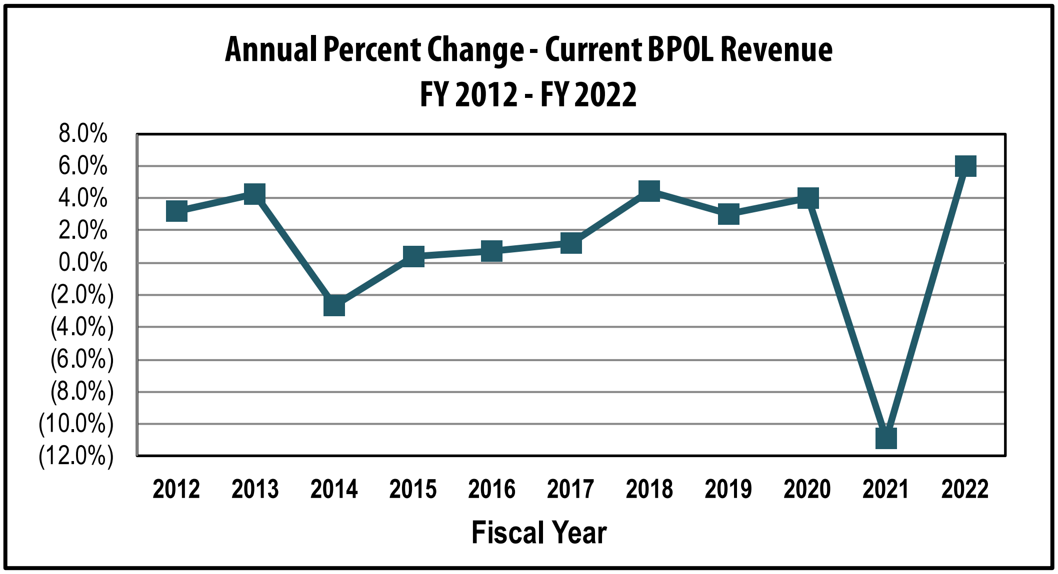
Since the adoption of the FY 2021 budget, there have been no changes to the FY 2021 Current Personal Property Tax estimate. It should be noted that the estimate for Delinquent Personal Property Tax revenue was decreased $8.1 million during the *FY 2020 Carryover Review*. The decrease was to account for adjustments associated with the Board of Supervisors' decision to reduce penalties for late payment of Personal Property taxes in response to the COVID-19 pandemic.

Business, Professional and Occupational License Tax

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX-CURRENT

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	Increase/ (Decrease)	Percent Change
$173,840,544	$154,912,776	$154,912,776	$164,207,543	$9,294,767	6.0%

The FY 2022 Advertised Budget Plan estimate for Business, Professional, and Occupational License Taxes (BPOL) of $164,207,543 reflects an increase of $9,294,767 or 6.0 percent over the *FY 2021 Revised Budget Plan*. As shown in the following chart, FY 2012 BPOL receipts, which were based on the gross receipts of businesses in calendar year 2011, reflected the continued improvement in local economic conditions after the Great Recession and increased 3.2 percent, followed by a 4.3 percent increase in FY 2013. BPOL revenue decreased 2.7 percent in FY 2014 primarily due to lower federal government procurement spending. Due to anemic job growth, BPOL receipts were flat in FY 2015, increasing only 0.4 percent over FY 2014. BPOL receipts increased 0.7 percent in FY 2016 and 1.2 percent in FY 2017 as job growth resumed. FY 2018 receipts increased 4.4 percent over the FY 2017 level, which was the strongest growth rate since FY 2011, followed by an increase of 3.0 percent in FY 2019. Actual FY 2020 receipts grew by 4.0 percent. The combined Consultant and Business Service Occupations categories, which represent over 42 percent of total BPOL receipts, increased 4.0 percent over the FY 2019 level. The Retail category, which represents almost 19 percent of total BPOL receipts, rose 0.2 percent in FY 2020. It should be noted that FY 2020 BPOL receipts were not impacted by COVID-19 as the tax was based on economic activity and businesses' gross receipts during calendar year 2019 prior to the pandemic.



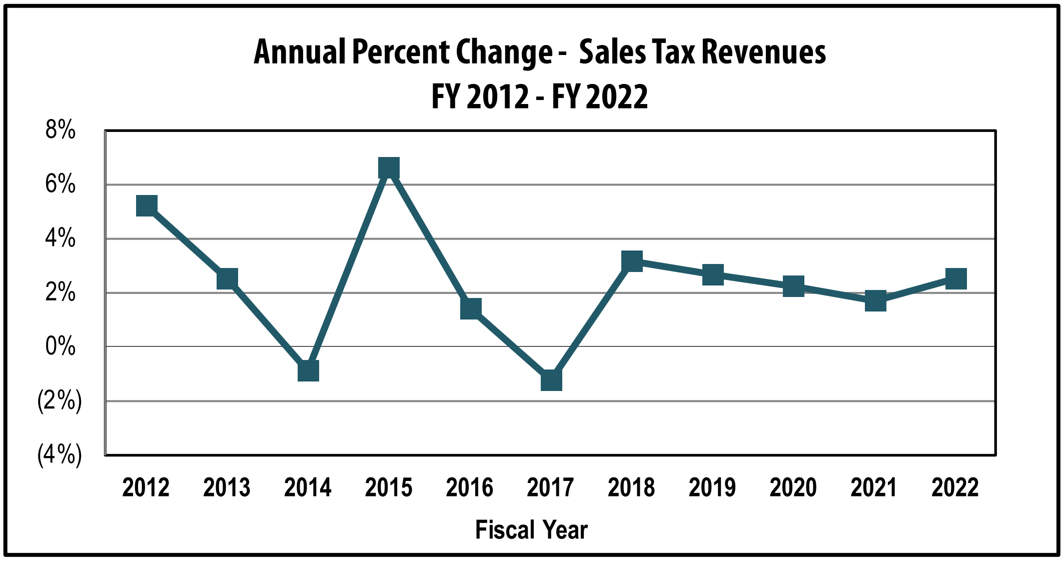
Since County businesses file and pay their BPOL taxes simultaneously on March 1 each year based on their gross receipts during the previous calendar year, there is limited actual data available throughout the fiscal year. Major BPOL categories that are expected to be negatively impacted in FY 2021 include Amusements, Hotels and Motels, Retail Merchants, Personal Service Occupations, and Business Services. A sizable share of the County's BPOL revenue is derived from large federal government contractors who rely on federal procurement spending. Data indicates that federal procurement spending in the County, both defense and non-defense, continued to grow in calendar year 2020. The FY 2021 revenue estimate assumes that these federal contractors will largely be insulated from the impact of the economic disruption. Based on these assumptions, FY 2021 BPOL tax revenue is projected to be $154.9 million, a decrease of $18.9 million or 10.9 percent compared to FY 2020. Based on the expectation that the economy will recover during calendar year 2021, FY 2022 BPOL receipts are projected to be $164.2 million, an increase of $9.3 million or 6.0 percent. However, the projected BPOL revenues in FY 2022 would still be below the actual receipts in FY 2020.

Local Sales Tax

LOCAL SALES TAX

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	Increase/ (Decrease)	Percent Change
$191,092,140	$171,031,788	$194,350,951	$199,209,725	$4,858,774	2.5%

The FY 2022 Advertised Budget Plan estimate for Sales Tax receipts of $199,209,725 reflects an increase of $4,858,774 or 2.5 percent over the *FY 2021 Revised Budget Plan*. The following chart illustrates that the level of Sales Tax receipts has varied with economic conditions.



Sales taxes increased 5.2 percent in FY 2012, the strongest rate of growth since FY 2005. In FY 2013, Sales Tax receipts continued to grow but at a more modest rate of 2.5 percent. Total FY 2014 Sales Tax receipts were down 0.9 percent, the first decline in four years. The decline was primarily due to the severe winter weather, as well as federal sequestration and refunds for prior year's receipts totaling $2.0 million. After rebounding a strong 6.6 percent in FY 2015, Sales Tax receipts in FY 2016 grew a modest 1.4 percent. Growth would have been weaker absent a transfer of $2.2 million that the County received in FY 2016 as the result of a state audit. FY 2017 receipts ended the fiscal year 1.2 percent down from FY 2016. The decline was primarily due to a $2.5 million refund during the year and the $2.2 million audit increase received in FY 2016, which made the annual comparison less favorable. FY 2018 collections increased 3.1 percent, followed by a 2.7 percent increase in FY 2019. FY 2020 Sales tax revenue had experienced a steady increase and was up 6.3 percent through March 2020 primarily as a result of a new law enacted by the Virginia General Assembly as of July 1, 2019 requiring the collection of state and local sales taxes from remote internet sellers in response to the provisions of the U.S. Supreme Court decisions in the South Dakota v. Wayfair, Inc. case. Due to store closures and economic disruption as a result of the COVID-19 pandemic, FY 2020 receipts fell 15.9 percent in June and 19.0 percent in July. Overall, FY 2020 collections were only 2.2 percent higher than the FY 2019 level. As it was not known during the adoption of the FY 2021 Adopted Budget Plan how long the economic recession and the steps taken to prevent the COVID-19 virus from spreading would last, the FY 2021 Sales tax revenue estimate assumed a decrease of 13.5 percent. However, actual FY 2021 receipts in the first several months of the fiscal year did not deteriorate as severely and as part of the *FY 2021 Mid-Year Review* the estimate was increased $23.3 million, reflecting growth of 1.7 percent over the FY 2020 level. Year-to-date through February, collections are down 1.0 percent. February receipts for December retail sales during the holiday season were up 1.8 percent. While the trend in year-to-date collections is encouraging news, consumer spending over the coming months will depend upon the course of the virus, vaccine roll out, federal stimulus, and employment conditions. Sales Tax receipts in FY 2022 are projected to rise 2.5 percent over the FY 2021 estimate based on the anticipation that consumer spending will increase moderately.

Recordation/Deed of Conveyance Taxes

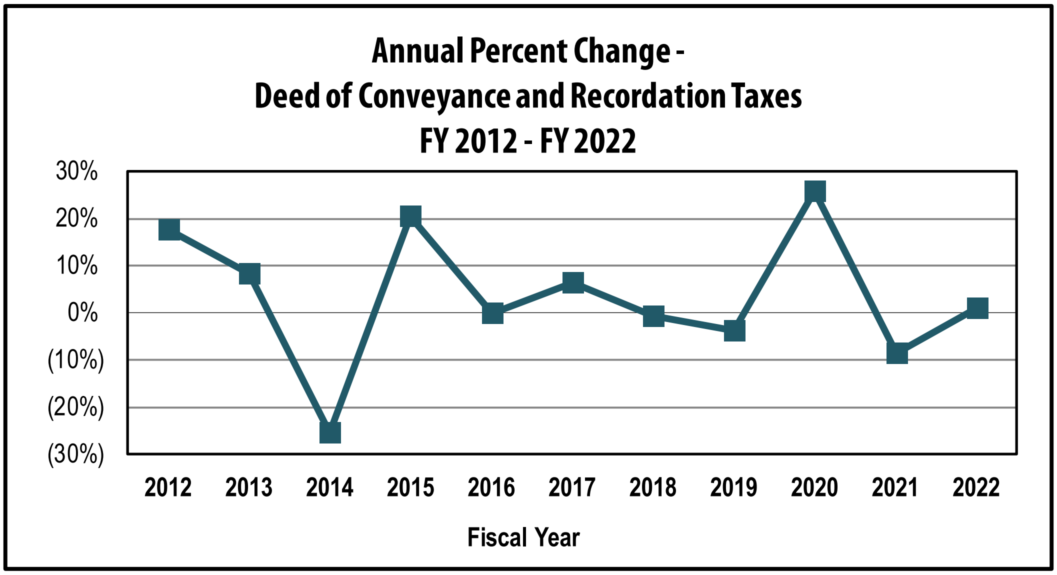
RECORDATION/DEED OF CONVEYANCE TAXES

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	Increase/ (Decrease)	Percent Change
$38,648,450	$31,212,155	$35,376,957	$35,730,727	$353,770	1.0%

The FY 2022 Advertised Budget Plan estimate for Recordation and Deed of Conveyance Taxes of $35,730,727 represents an increase of $353,770 or 1.0 percent over the *FY 2021 Revised Budget Plan*. The FY 2022 estimate is comprised of $27,981,850 in Recordation Tax revenues and $7,748,877 in Deed of Conveyance Tax revenues. Recordation and Deed of Conveyance Taxes are levied in association with the sale or transfer of real property located in the County. Recordation Taxes are also levied when mortgages on property located in the County are refinanced, making Recordation Tax revenues more sensitive to interest rate fluctuations than Deed of Conveyance Taxes. Home values and interest rate projections are used in an econometric model that assists in developing estimates for these categories.

Fairfax County's Deed of Conveyance Tax is assessed at a rate of $0.05 per $100. Local Recordation Taxes are set at one-third the State's Tax rate. From September 2004 through FY 2012, the State Recordation Tax was $0.25 per $100 of value. The rate was lowered on mortgage refinancing transactions to $0.18 per $100 of value effective July 1, 2012; however, all refinancing transactions are now taxable, whereas previously refinancing with the same lender was exempt from the tax. The State Recordation Tax rate on home purchases was not reduced and remained at $0.25 per $100. Therefore, as of FY 2013, the County's Recordation Tax rate on home purchases is $0.0833 per $100 of value, while the tax rate on mortgage refinancing is $0.06 per $100 of value.

Primarily due to increased mortgage refinancing activity as a result of low mortgage interest rates, revenues increased 17.6 percent in FY 2012 and 8.5 percent in FY 2013. FY 2014 receipts declined a combined 25.4 percent due to a decline in mortgage refinancing as a result of higher interest rates, as well as a decline in the number of home sales. After increasing a strong 20.5 percent in FY 2015, receipts in FY 2016 remained level. FY 2017 collections grew 6.4 percent over the FY 2016 level. As a result of increasing mortgage interest rates and declining volume of mortgage refinancing activity, FY 2018 receipts were down a combined 0.7 percent; FY 2019 collections decreased another 3.9 percent. Due to historically low mortgage interest rates, which spurred a significant increase in refinancing activity, combined FY 2020 receipts increased 25.8 percent. Through the first four months of FY 2021, combined receipts were up over 38 percent and the estimate was increased $4.2 million as part of the *FY 2021 Mid-Year Review*, reflecting a decrease of 8.5 percent from the FY 2020 level. The revised FY 2021 estimate assumes that refinancing activity will taper off in the second half of the fiscal year relative to the strong growth experienced early in the year, as well as compared to the level of revenue collected during the same time last year. FY 2022 receipts are projected to increase a combined 1.0 percent.

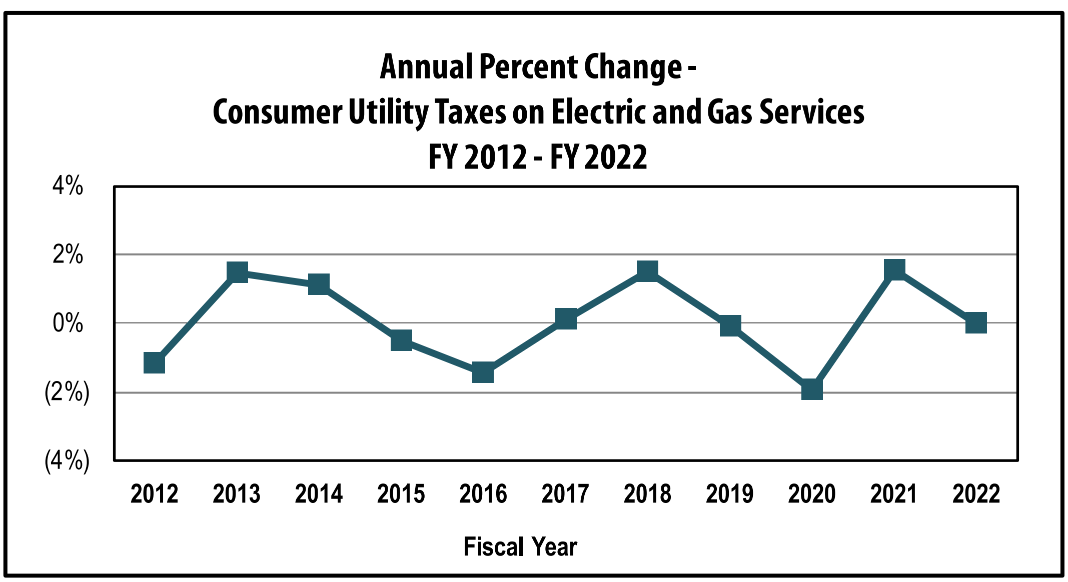


Consumer Utility Taxes

CONSUMER UTILITY TAXES - GAS AND ELECTRIC

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	Increase/ (Decrease)	Percent Change
$44,940,753	$45,639,081	$45,639,081	$45,639,081	$0	0.0%

The FY 2022 Advertised Budget Plan estimate for Consumer Utility Taxes on gas and electric services of $45,639,081 reflects no change from the *FY 2021 Revised Budget Plan*. The FY 2022 estimate is comprised of $36,019,387 in taxes on electric service and $9,619,694 in taxes on gas service. County residents and businesses are subject to Consumer Utility Taxes based on their consumption of electricity and gas services.



Revenues from Consumer Utility Taxes on gas and electric services from FY 2012 to FY 2019 have remained stable, growing at an average annual rate of just 0.3 percent. FY 2020 collections decreased 2.0 percent compared to FY 2019 likely due to COVID-19 related business closures. Growth of 1.6 percent is projected in FY 2021.

Tax rates by customer class are shown in the following table.

Consumer Utility Taxes on Electricity and Natural Gas

Electricity		Natural Gas	
Electric Power Customer Class	**Monthly Tax FY 2001-FY 2022**	**Natural Gas Customer Class**	**Monthly Tax FY 2001-FY 2022**
Residential	$0.00605 per kWh	**Residential**	$0.05259 per CCF
Minimum	+$0.56 per bill	Minimum	+$0.56 per bill
Maximum	$4.00 per bill	Maximum	$4.00 per bill
Master Metered Apartments	$0.00323 per kWh	**Master Metered Apartments**	$0.01192 per CCF
Minimum	+$0.56 / dwelling unit	Minimum	+$0.56 / dwelling unit
Maximum	$4.00 / dwelling unit	Maximum	$4.00 / dwelling unit
Commercial	$0.00594 per kWh	**Nonresidential**	$0.04794 per CCF
Minimum	+ $1.15 per bill	Minimum	+ $0.845 per bill
Maximum	$1,000 per bill	Maximum	$300 per bill
Industrial	$0.00707 per kWh	**Nonresidential Interruptible**	$0.00563 per CCF
Minimum	+$1.15 per bill	Minimum	+$4.50 per meter
Maximum	$1,000 per bill	Maximum	$300 per meter

Communication Sales Tax

COMMUNICATIONS SALES TAX

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	Increase/ (Decrease)	Percent Change
$2,551,599	$3,492,634	$2,551,599	$1,707,773	($843,826)	(33.1%)

The FY 2022 Advertised Budget Plan estimate for the General Fund portion of the Communications Sales Tax of $1,707,773 reflects a decrease of $843,826 or 33.1 percent from the *FY 2021 Revised Budget Plan* due to a change in the distribution of revenue among funds within the County in order to cover all the expenses of Fund 40090, E-911. The Communications Tax is a statewide tax that was first implemented in January 2007, after the 2006 Virginia General Assembly session approved legislation that changed the way in which taxes are levied on communications services. Based on this legislation, local taxes on land line and wireless telephone services were replaced with a 5 percent statewide Communication Sales Tax. In addition to the communications services previously taxed, the 5 percent Communication Sales Tax applies to satellite television and radio services, internet calling and long-distance telephone charges. As part of this legislation, local E-911 fees were repealed and replaced with a statewide $0.75 per line fee. These rates were meant to provide revenue neutrality with FY 2006 receipts, which were $85.5 million for Fairfax County. All communications taxes are remitted to the state for distribution to localities based on the locality's share of total statewide FY 2006 collections of these taxes. Fairfax County's share is determined by the state and is set at 18.89 percent. Of the total tax, the Cable Franchise portion is directed to Fund 40030, Cable Communications. Prior to FY 2015, the percentage of the remaining revenue was directed to Fund 40090, E-911 and the General Fund based on their relative share of the tax in FY 2006. However, to cover all the expenses in the E-911 Fund, a transfer from the General Fund was still required. To eliminate the need for a General Fund transfer, beginning in FY 2015, more Communications Sales Tax revenue is directed to Fund 40090, E-911. The FY 2021 General Fund estimate was reduced $0.9 million as part of the *FY 2021 Mid-Year Review* based on actual receipts during FY 2020 and collection trends during FY 2021. In FY 2022, total Communications Sales Taxes are projected to be $62.7 million. Of the total tax, Cable Franchise Fees of $13.4 million will be directed to Fund 40030, Cable Communications. Of the remaining tax, $47.6 million will be posted in Fund 40090, E-911 and $1.7 million to the General Fund in FY 2022.

The distribution of the tax since FY 2020 is shown below. The table illustrates that this tax has eroded significantly over the years compared to the $85.5 million collected by the County in FY 2006.

Communications Sales Tax Revenue

Fund	FY 2020 Actual	FY 2021 Projected	FY 2022 Projected
Fund 10001, General Fund	$2,551,599	$2,551,599	$1,707,773
Fund 40030, Cable Communications	15,725,215	14,374,266	13,396,637
Fund 40090, E-911	46,986,276	46,986,276	47,574,938
Total	**$65,263,090**	**$63,912,141**	**$62,679,348**

Vehicle Registration License Fee

VEHICLE REGISTRATION LICENSE FEE

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	Increase/ (Decrease)	Percent Change
$27,319,481	$27,052,146	$27,052,146	$27,052,146	$0	0.0%

The FY 2022 Advertised Budget Plan estimate for Vehicle Registration Fee revenue of $27,052,146 reflects no change from the *FY 2021 Revised Budget Plan*. Fairfax County levies the fee at $33 for passenger vehicles that weigh 4,000 pounds or less and $38 on passenger vehicles that weigh more than 4,000 pounds. In addition, fees are $18 for motorcycles and $25 for buses used for transportation to and from church. The County does not require the display of a decal on the vehicle. The FY 2021 estimate remains unchanged based on actual collections year-to-date. Payment of Vehicle Registration License Fees is linked to the payment of Personal Property Taxes on October 5 each year. Vehicles owned by disabled veterans, members of volunteer fire departments and auxiliary police officers are exempt from the fee.

Transient Occupancy Tax

TRANSIENT OCCUPANCY TAX

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	Increase/ (Decrease)	Percent Change
$15,778,992	$16,443,857	$6,950,000	$7,645,000	$695,000	10.0%

The FY 2022 Advertised Budget Plan estimate for Transient Occupancy Tax of $7,645,000 reflects an increase of $695,000 or 10.0 percent over the *FY 2021 Revised Budget Plan*. Transient Occupancy Taxes are charged as part of a hotel bill and remitted by the hotel to the County. The Transient Occupancy Tax has been levied at 4 percent since the Virginia General Assembly permitted the Board of Supervisors to levy an additional 2.0 percent Transient Occupancy Tax in FY 2005. A portion, 25 percent, of the additional 2.0 percent must be appropriated to a nonprofit convention and visitors' bureau located in the County. The remaining 75 percent must be used by the County to promote tourism. It should be noted that based on legislation enacted during the 2020 General Assembly session, the County was granted additional taxing authority, which could provide new revenue options. The legislation removed the rate ceiling for the Transient Occupancy Tax rate. Rates between 2 and 5 percent are earmarked for tourism promotion, but there is no restriction on the use of funds at a tax rate above 5 percent.

During FY 2013 and FY 2014, business travel was reported to have been down in the region due to federal spending reductions and Transient Occupancy Tax revenue declined for two consecutive years. After rising a robust 9.3 percent in FY 2015, Transient Occupancy receipts increased 2.3 percent in FY 2016. FY 2017 collections increased a strong 6.6 percent, partially due to the Presidential Inauguration in January 2017. FY 2018 receipts were down 2.0 percent, the first decline since FY 2014. FY 2019 collections increased 3.6 percent. Actual FY 2020 receipts declined 31.2 percent due to the impact of the COVID-19 pandemic. The U.S. hotel industry has reported significant year-over-year declines in three key performance metrics: occupancy, average daily rate (ADR), and revenue per available room (RevPAR). Hotel revenues in Fairfax County declined almost 75 percent between March and August 2020 compared to the same period in 2019. FY 2021 collections through October were down 66.8 percent and as part of the *FY 2021 Mid-Year Review*, the estimate was reduced $9.5 million, reflecting a decrease of 56.0 percent from the FY 2020 level. As hotel revenue is not expected to recover until at least mid-2021, the revised FY 2021 estimate is based on the assumption that TOT revenue collections will continue to decrease through the spring of 2021, with moderating declines in the last two months of the fiscal year. FY 2022 estimate reflects an increase of 10.0 percent based on the expectation that as travel restrictions continue to be lifted, hotel occupancy will start to recover.

Cigarette Tax

CIGARETTE TAX

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	Increase/ (Decrease)	Percent Change
$5,428,504	$5,422,269	$5,009,455	$4,959,360	($50,095)	(1.0%)

The FY 2022 Advertised Budget Plan estimate for Cigarette Tax of $4,959,360 reflects a decrease of $50,095 or 1.0 percent from the *FY 2021 Revised Budget Plan*. Fairfax County's tax rate is 30 cents per pack, the same as the state rate. It should be noted that new legislation enacted during the 2020 General Assembly authorized all counties in Virginia to impose cigarette taxes at a rate not to exceed 40 cents per pack. This authority would take effect July 1, 2021.

Cigarette Tax receipts have been down for eight consecutive years, decreasing 6.2 percent in FY 2020. As part of the *FY 2021 Mid-Year Review*, the FY 2021 estimate was decreased $0.4 million, reflecting a projected decline of 7.7 percent, based on actual receipts during FY 2020 and collections trends during the current fiscal year. FY 2022 Cigarette Tax receipts are anticipated to decline 1.0 percent.

Permits, Fees and Regulatory Licenses

PERMITS, FEES AND REGULATORY LICENSES

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	Increase/ (Decrease)	Percent Change
$54,002,649	$49,642,908	$49,642,908	$49,642,908	$0	0.0%

The FY 2022 Advertised Budget Plan estimate for Permits, Fees, and Regulatory Licenses of $49,642,908 reflects no change from the *FY 2021 Revised Budget Plan*.

Land Development Service (LDS) fees for building permits, site plans, and inspection services make up over three-quarters of the Permits, Fees, and Regulatory Licenses category. Changes in LDS fee revenue typically track closely to the current condition of the real estate market, as well as the size and complexity of projects submitted to LDS for review. As part of the FY 2021 Adopted Budget Plan, the estimate for LDS fee revenue was reduced and reflected a decrease of 12.5 percent based on the expectation that receipts will be negatively impacted by COVID-19. However, year-to-date revenues have not been impacted as severely and staff anticipates that the FY 2021 estimate would be adjusted as part of the *FY 2021 Third Quarter Review*. The FY 2022 estimate for LDS fee revenue remains at the FY 2021 adopted level.

Fines and Forfeitures

FINES AND FORFEITURES

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	Increase/ (Decrease)	Percent Change
$10,001,169	$11,795,664	$7,934,518	$8,727,970	$793,452	10.0%

The FY 2022 Advertised Budget Plan estimate for Fines and Forfeitures of $8,727,970 reflects an increase of $793,452 or 10.0 percent over the *FY 2021 Revised Budget Plan*. The projected increase is based on the anticipation that a number of revenue categories, which were impacted by COVID-19, would start to recover in FY 2022.

The FY 2021 estimate for Fines and Forfeitures was decreased a net $3.9 million during the *FY 2021 Mid-Year Review*. The decrease was primarily the result of adjusting the estimate for General District Court fines by $3.2 million due to lower case filings in the courts, as well as lower Parking Violations revenue based on actual FY 2020 receipts and collection trends in FY 2021.

Investment Interest

INVESTMENT INTEREST

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	Increase/ (Decrease)	Percent Change
$64,050,920	$21,923,617	$21,923,617	$12,638,976	($9,284,641)	(42.3%)

The FY 2022 Advertised Budget Plan estimate for Investment Interest of $12,638,976 reflects a decrease of $9,284,641 or 42.3 percent from the *FY 2021 Revised Budget Plan*. Revenue from this category is a function of the amount invested, the prevailing interest rates earned on investments, and the percentage of the total pooled investment portfolio attributable to the General Fund.

Revenue from Interest on Investments is highly dependent on Federal Reserve actions. From 2004 to 2006, the Federal Reserve increased interest rates from 1.0 percent to 5.25 percent in an effort to stem inflation. As a result of higher rates, the annual average yield on County investments was 5.1 percent in FY 2007, and revenue from Interest on Investments was a record high of $92.1 million. The federal funds rate remained unchanged from the end of 2008 to December 2015. During this period, it was set at 0.0 to 0.25 percent, its lowest in history, "to promote the resumption of sustainable economic growth" in the wake of the Great Recession. As a result, the Investment Interest revenue trended down for several years and dropped to as little as $10.7 million in FY 2015, with an average annual yield of 0.43 percent.

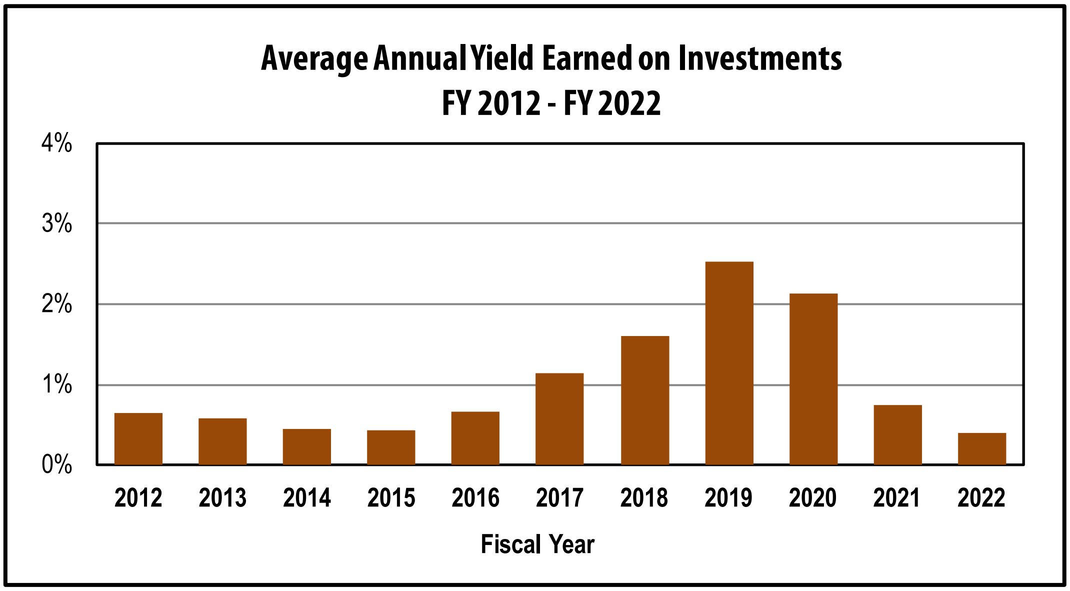
In December 2015, the Federal Reserve raised the target range for the federal funds rate by a quarter-percentage point for the first time in almost a decade as policy makers cited the improved labor market conditions and the solid pace of economic activity. As a result, FY 2016 Interest on Investments increased $5.5 million to $16.2 million at an annual yield of 0.66 percent. The Fed raised the interest rate again in December 2016 and continued raising it at a gradual pace throughout 2017. FY 2017 revenue was $27.5 million at an average annual yield of 1.14 percent. The FY 2018 Interest on Investments revenue was $41.4 million with an annual yield of 1.61 percent. The federal funds rate was increased four times throughout 2018 and FY 2019 revenue was $69.0 million at an average annual yield 2.53 percent.

The Federal Reserve was expected to continue raising rates throughout 2019; however, in July, September, and October 2019, it reduced the rate by quarter percentage point at each meeting, bringing it to 1.50-1.75 percent range. Based on the actions of the Fed, the FY 2020 revenue was $64.1 million with a yield of 2.14 percent.

In the face of the coronavirus crisis, the Federal Reserve implemented two emergency rate cuts in the beginning of March and took the benchmark interest rate to near zero. To prop the U.S. economy from the fallout of the pandemic, the Fed also announced numerous steps to ensure that banks can keep lending to businesses. The Fed's actions with regard to cutting interest rates to near zero due to COVID-19 negatively impact the earnings that the County generates on its portfolio investments. General Fund Investment Interest revenue in FY 2021 is projected to decline $42.1 million, or 65.8 percent from the FY 2020 level based on a projected average yield of 0.74 percent.

The Federal Reserve has made clear that the accommodative monetary policy will continue until the pandemic related economic dislocations have abated. The FY 2022 Advertised Budget Plan estimate for Investment Interest of $12.6 million reflects a decrease of $9.3 million from FY 2021 and is based on a projected average yield of 0.40 percent, a portfolio size of $3.6 billion and a General Fund percentage net of administrative fees of 79.0 percent. All available resources are pooled for investment purposes and the net interest earned is distributed among the various County funds, based on the average dollars invested from each fund as a percentage of the total pooled investment.

The following table shows the yield earned on investments since FY 2012.



Charges for Services

CHARGES FOR SERVICES

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	Increase/ (Decrease)	Percent Change
$70,109,331	$83,119,246	$56,526,667	$57,104,738	$578,071	1.0%

The FY 2022 Advertised Budget Plan estimate for Charges for Services revenue of $57,104,738 reflects an increase of $578,071 or 1.0 percent over the *FY 2021 Revised Budget Plan*. This increase is primarily the result of projected increases in recreation fee revenue from various programs that were disrupted due to COVID-19.

During the *FY 2021 Mid-Year Review*, the FY 2021 estimate for Charges for Services was reduced $26.6 million. The largest reduction - $22.1 million – was associated with the School-Age Child Care (SACC) fee revenue, as the SACC program was impacted by Fairfax County Public Schools (FCPS) decision to provide all virtual learning in response to the pandemic. Along with program availability and capacity, the level of SACC revenues collected is also dependent on human behavior. As FCPS has continued virtual learning and schools have not reopened, the SACC revenue estimate will be evaluated again as part of the *FY 2021 Third Quarter Review*. Other Charges for Services revenue categories that were reduced in FY 2021 include EMS billings revenue, which was reduced by $2.0 million, as the number of EMS transports has declined, as well as a net reduction of $2.1 million in many other charges and fees as a result of program closures and lower levels of activity across the County.

It should be noted that the FY 2022 estimate for SACC fee revenue remains at the FY 2021 reduced level.

Recovered Costs/Other Revenue

RECOVERED COSTS / OTHER REVENUE

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	Increase/ (Decrease)	Percent Change
$15,486,983	$16,234,444	$15,526,944	$15,526,944	$0	0.0%

The FY 2022 Advertised Budget Plan estimate for Recovered Costs/Other Revenue of $15,526,944 reflects no change from the *FY 2021 Revised Budget Plan*.

During the *FY 2021 Mid-Year Review*, the revenue estimate for Recovered Costs/Other Revenue was decreased a net $0.7 million from the FY 2021 Adopted Budget Plan estimate. The decrease was associated with adjusting the estimate for the City of Fairfax Shared Governmental Expenses reimbursement, which was reduced $0.2 million as a result of the reconciliation of the City's share of expenses based on actual utilization and expenses during FY 2020. In addition, revenue associated with recovered costs for operating the Adult Detention Center was reduced by $0.5 million as a result of lower population and the impact of the COVID-19 pandemic.

Revenue from the Commonwealth/Federal Government

REVENUE FROM THE COMMONWEALTH/FEDERAL GOVERNMENT[1]

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	Increase/ (Decrease)	Percent Change
$344,430,212	$141,634,775	$142,528,874	$142,528,874	$0	0.0%

[1] Excludes Personal Property Taxes that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998. See the "Personal Property Tax - Current" heading in this section.

The FY 2022 Advertised Budget Plan estimate for Revenue from the Commonwealth and Federal Government of $142,528,874 reflects no change from the *FY 2021 Revised Budget Plan*.

The *FY 2021 Revised Budget Plan* estimate for Revenue from the Commonwealth and Federal Government was increased $0.9 million over the FY 2021 Adopted Budget Plan estimate as a result of adjustments made during the *FY 2020 Carryover Review* associated with state and federal reimbursement funding for additional Public Assistance eligibility workers to address increased caseloads, as well as additional positions for Protection and Preservation Services. The revenue increase is fully offset by an expenditure increase for no net impact to the General Fund.

It should be noted that the actual FY 2020 revenue of $344.4 million shown in the table above reflects one-time revenue of $200.2 million, which the County received as federal stimulus from the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund to cover eligible expenses related to the direct response to the crisis.