

1999 Annual Report

Assessments and Tax Policy Division

Prince William County, Virginia

BOARD OF COUNTY SUPERVISORS

Kathleen K. Seefeldt
Chairman at-large

L. Ben Thompson
Brentsville District

Mary K. Hill
Coles District

Maureen S. Caddigan
Dumfries District

Edgar S. Wilbourn, III

Gainesville District

John D. Jenkins
Neabsco District

Ruth T. Griggs
Occoquan District

Hilda M. Barg
Woodbridge District

COUNTY EXECUTIVE

H.B. Ewert

Finance Department Assessments and Tax Policy | Organization Chart

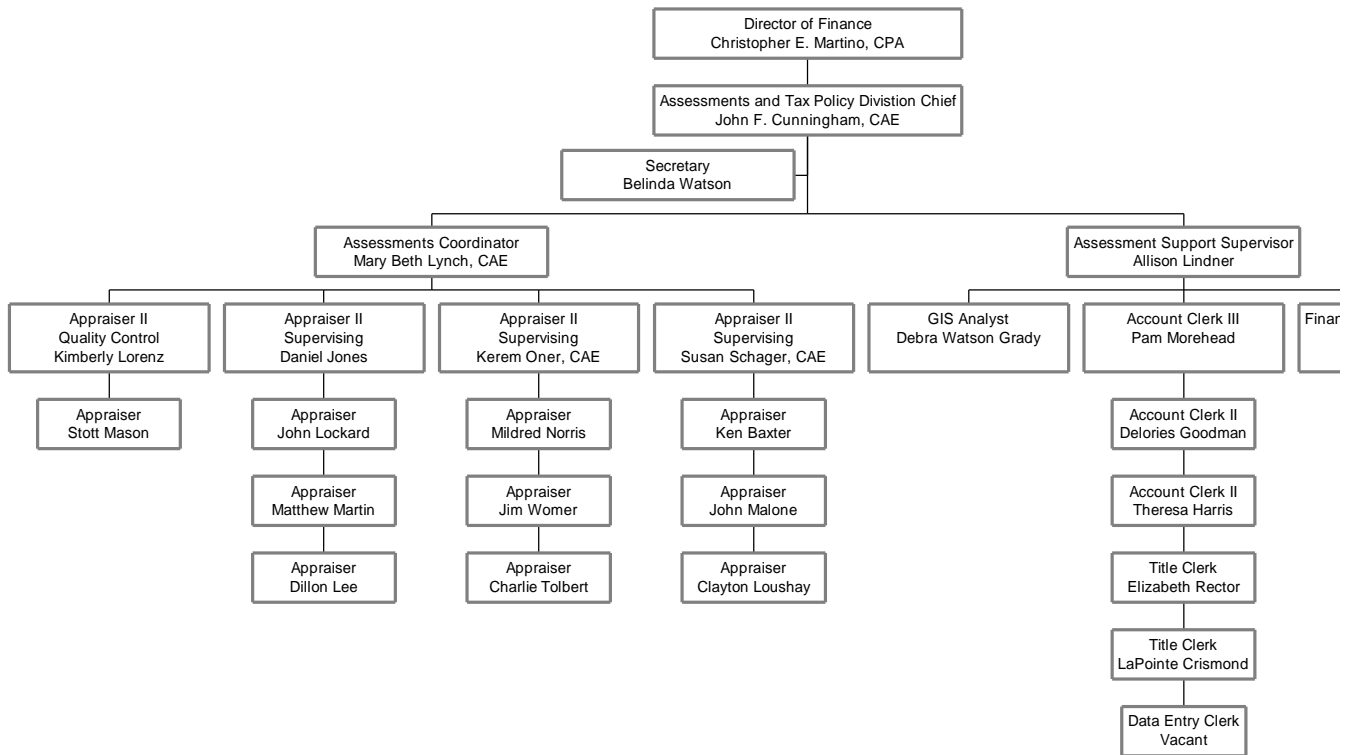


TABLE OF CONTENTS

INTRODUCTION	1
FUNCTIONS OF THE REAL ESTATE ASSESSMENTS OFFICE	2
MAINTAINING PROPERTY RECORDS	2
REASSESSING EXISTING PROPERTIES	3
<i>Collection of Data</i>	4
<i>Analysis of Data</i>	5
<i>Application of Results</i>	5
<i>Performance Measurement</i>	6
ASSESSING NEW CONSTRUCTION	7
FACILITATING ASSESSMENT NOTIFICATION AND APPEAL	8
<i>Assessment Notification</i>	8
<i>Appeal Procedures</i>	8
<i>Appeal Adjustments</i>	9
ADMINISTERING REAL ESTATE TAX RELIEF PROGRAMS	10
<i>Tax Relief for the Elderly and Disabled</i>	10
<i>Tax Relief Based on Use Value Assessment</i>	12
<i>Tax Relief for Rehabilitated Real Estate</i>	12
PROVIDING CUSTOMER SERVICE	13
<i>Walk-in Customers</i>	13
<i>Telephone Requests From Real Estate Professionals</i>	14
<i>Telephone Requests From Citizens and Public Agencies</i>	14
REAL ESTATE VALUES	15
LANDBOOK VALUES: GROWTH AND APPRECIATION	16
RESIDENTIAL	17
APARTMENTS	21
COMMERCIAL AND INDUSTRIAL	22
<i>Locally-Valued Properties</i>	22
<i>State-Valued Public Service Properties</i>	23
UNDEVELOPED LAND	24
SUPPLEMENTAL ASSESSMENTS	25
TAX-EXEMPT PROPERTIES	26
STATISTICAL APPENDIX	A-1
TABLE 1: HISTORY OF PROPERTY RECORD MAINTENANCE ACTIVITY	A-3
TABLE 2: HISTORY OF TAX RELIEF FOR THE ELDERLY AND DISABLED	A-3
TABLE 3: HISTORY OF APPEALS ACTIVITY	A-3
TABLE 4: HISTORY OF ADJUSTMENTS	A-3
TABLE 5: USE VALUE ASSESSMENT SUMMARY	A-4
TABLE 6: AVERAGE ASSESSED VALUE HISTORY OF RESIDENTIAL PROPERTY	A-5
TABLE 7: ASSESSED VALUES AND ESTIMATED MARKET VALUES	A-6
TABLE 8: HISTORY OF THE REAL ESTATE TAX BASE*	A-8
TABLE 9: PUBLIC SERVICE AND COMMERCIAL/INDUSTRIAL ASSESSMENTS	A-9
TABLE 10: ASSESSMENT PERFORMANCE STATISTICS	A-10
TABLE 11A: GROWTH AND APPRECIATION	A-11
TABLE 11B: HISTORY OF APPRECIATION RATES	A-12
TABLE 11C: HISTORY OF GROWTH RATES	A-12
TABLE 12: TOP FIFTY REAL ESTATE TAXPAYERS—FY1999	A-13
TABLE 13: TAX RATES	A-14
ADDENDA	B-1
ADDENDUM A: SAMPLE NOTICE OF REASSESSMENT	B-3
ADDENDUM B: REHABILITATED REAL ESTATE PROGRAM	B-5
ADDENDUM C: TAX RELIEF PROGRAMS	B-9
ADDENDUM D: SAMPLE TAX BILL	B-11

This page intentionally left blank.

1999 ANNUAL REPORT



INTRODUCTION

The Assessments and Tax Policy Division of the Finance Department in Prince William County is responsible for assessing property annually, maintaining property ownership records and administering the County's tax relief programs. In order to perform these duties accurately, the office gathers and maintains data on every property in the County. The assessments office also collects and analyzes data pertaining to real estate market indicators such as sales and property income and expense data. This information enables the office to assess property at fair market value and to develop summaries of the County's real estate for use in policy analysis.

Assessments for 1999 were made effective on January 1, 1999, and were entered into the County's landbook, an annual listing of real estate assessments and taxes. Tax payments are divided into two equal installments. Payment for the first installment is due July 15 and payment for the second installment is due December 5. The County also makes supplemental assessments for newly constructed property completed after the beginning of the year and for any properties in the Use Value Assessment Program (see page 12) that become eligible for a rollback tax. The County will collect taxes for 1999 supplements in December of 1999 and in February and May of 2000.

Real estate assessments and taxes are based on the tax year, which coincides with the calendar year. The County accounts for the revenues from this tax during the following fiscal year (June-July). That is, real estate assessments and taxes for tax year 1998 form the basis for Fiscal Year 1999 County revenues. All FY1999 (tax year 1998) information is presented in this report. However, some tax year 1999 (FY2000) information necessary for a complete comparison is not yet available and is estimated. These estimates include supplemental assessments, rollback taxes, and public service assessments; they are taken from *Revenue Estimates—Fiscal Year 2000 through Fiscal Year 2004*, a report of revenue for Prince William County.

Note: In the following discussion, all references to years are for tax (calendar) years rather than fiscal years unless otherwise noted.

FUNCTIONS OF THE REAL ESTATE ASSESSMENTS OFFICE

The real estate assessments office performs the following key functions:

- Maintains property records
- Reassesses existing properties
- Assesses new construction
- Facilitates assessment notification and appeal
- Administers real estate tax relief programs
- Provides customer service



Maintaining Property Records

The assessments office is responsible for determining taxable ownership of property. This requires interpreting all legal documents relating to real estate. The documents (deeds, plats, wills, court orders, etc.) are recorded by the Clerk of Court and contain information regarding transfers, consolidations, subdivisions and other legal changes.

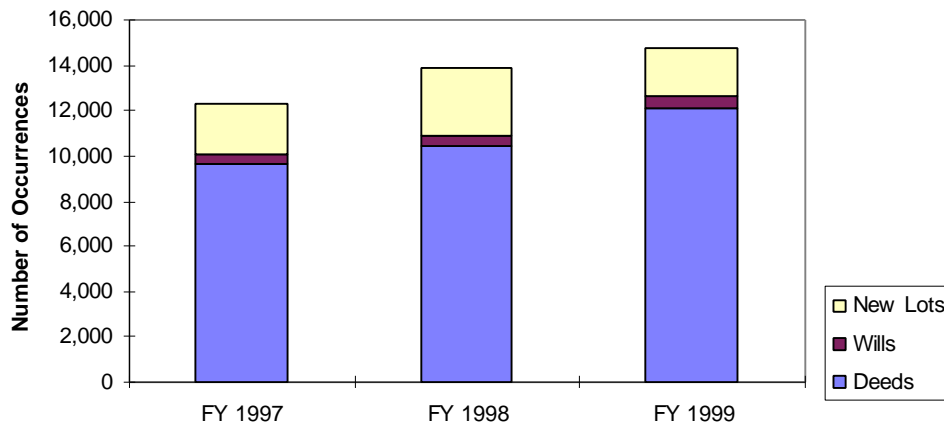
After reading each document, the assessments office determines whether it affects the taxable ownership, size or configuration of the properties. If it does, the assessments office then makes necessary changes to property records. In some cases, deeds conflict with County records. The assessments office coordinates with settlement attorneys and the Geographic Information Service section of the Office of Information Technology to clarify and correct the deeds. This process ensures up-to-date records with accurate legal descriptions.

Property record maintenance activity increased from FY1998 to FY1999, as the following table shows. A more detailed history of property record maintenance activity is shown in the Statistical Appendix, Table 1, page A-3.

Property Record Maintenance Activity

	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1999</i>
<i>Deeds</i>	9,631	10,438	12,120
<i>Wills</i>	450	473	520
<i>New Lots</i>	2,238	2,945	2,130
<i>Total</i>	12,319	13,856	14,770

Comparison of Property Record Maintenance Activity



Reassessing Existing Properties

State law requires all counties to reassess real estate at least every four years, with a annual and biennial assessments authorized. Prince William County has performed annual assessments of property since 1979, when computerization made this feasible. Tax policy publications recommend annual reassessment because assessments at longer intervals may result in large disparities and inequities between properties, especially during periods of rapid changes in the real estate market.

Regular reassessment helps maintain equity between properties as market conditions change. Maintaining equity is a primary goal in the assessment of real estate for tax purposes. The standard for all assessments in Virginia is established in the Virginia Constitution, which requires assessment at “fair market value.” The only exception to this requirement is for ce r-

tain agricultural, forestal, horticultural and open space property in the Use Value Assessment Program (see page 12). To perform equitable assessments, the assessments office must gather accurate and consistent property information and perform proper analyses of the sales and other market indicators.

Collection of Data

The assessments office collects information regarding property descriptions, sales, income, expenses and other real estate market data. To ensure property descriptions are accurate, County assessors periodically inspect properties and verify current data. Property characteristics are relatively stable, and physical inspections of each property are not necessary every year. However, physical characteristics such as condition do change slowly over time, and properties should be reviewed approximately every four years to ensure appraisals are based on accurate information.

Income data and sales data are the primary data sources for establishing the value of real estate. However, only a few thousand properties in the County sell each year. These sales are then used as the basis for valuing most properties in the County. As a result, errors in sale data can affect many properties. Because inaccurate sales information can lead to incorrect conclusions about property values, sales must be reviewed to verify the physical and financial circumstances that led to a particular sale price. This review requires a physical inspection of the property to confirm its physical and economic characteristics. The review also requires contact with the buyer, seller, or other persons involved in the transaction to verify the presence and amount of unusual financial terms that may have affected the sale price. To aid in valuing commercial and industrial property using the income approach, the assessments office collects income and expense information from commercial property owners.

In FY1998 and FY1999, the Assessments Office privatized the collection of sale data. Information about the physical and financial characteristics of property sales was collected by licensed appraisers under contract with the County. During FY1999, contractors completed approximately 1,441 physical verifications and 3,694 financial verifications. Beginning in July 1999, the sale verifications will no longer be privatized. County appraisers will be verifying sale data.

Analysis of Data

The assessments office analyzes the information about market activity (sales, income, etc.) and develops appraisal models to reflect the actions of the market. These models are calibrated each year. That is, all the factors, parameters, and coefficients in each model are updated to reflect the current market. Each model must account for all of the hundreds of possible factors that could influence the value of a property.

Application of Results

Appraisers use several approaches to value property for assessment purposes. These approaches are discussed below.

Cost Less Depreciation

In the cost less depreciation method, the value of the structure is estimated and added to the value of the land. The structure value is estimated by first estimating the cost to replace the building with a new one, and then subtracting depreciation, which makes the existing building worth less than the cost of a new one. Depreciation can be caused by physical deterioration, functional obsolescence (poor functional design) or by economic obsolescence (effects of factors outside the property, such as high traffic).

Sales Comparison

The sales comparison approach is based on comparing a property with similar prospects that have sold. In this approach, several similar properties with recent sales are selected. Each of the sale prices is adjusted for difference between the property that sold and the subject property. This gives an indication of what each of the buyers would likely have paid for their property had it been identical to the subject property.

Income Capitalization

The income capitalization approach assumes that there is a relationship between the net operating income of a property and its value. In this approach, the effective gross income of a property is estimated by considering market rents, vacancy rates, and collection losses. Estimated expenses are deducted to generate an estimate of net operating income. This income is capitalized into an estimate of value by application of an appropriate market capitalization rate.

Statistical Estimation

Statistical estimation methods are often considered part of the sales comparison approach because they utilize sales of property. In this approach, sales of property are utilized in statistical processes such as multiple regression and adaptive estimation to generate models of the real estate market. These models are extremely sensitive to the quality, quantity, and accuracy of available data. However, with adequate, accurate data, a skilled modeler can generate very accurate estimates of value.

Performance Measurement

The tool used to measure the accuracy of assessments is the assessment-to-sale ratio, which is calculated by dividing the assessment by the selling price. For example, a single family home assessed for \$152,000 that sells for \$160,000 has an assessment-to-sale ratio of 95%. This ratio is calculated for all valid sales in the County and is used to monitor the level and equity of assessments. The median assessment-to-sale ratio is called the level of assessment. The median (midpoint of arrayed ratios) is used because extreme ratios affect it only minimally. For tax year 1998 sales, the average level of assessment is estimated to be 94.5%. Inflation causes the ratio to go down (assessments become a lower percentage of sales prices when the prices rise). Inflation was approximately 1% for 1998, and the ratio is estimated to be 95.0% as of January 1 and 94.0% by the end of the year for an average of 94.5%.

Equity of assessments is measured using average error. The average error is the average percentage each sale deviates from the level of assessment. A small average error indicates individual ratios are relatively close to the level of assessment. A large average error indicates ratios vary greatly. For tax year 1998 sales, the estimated average error is 7.17%.

A more detailed summary is in the Statistical Appendix, Table 10, page A- 10.

Assessment Performance

	-----Level-----		-----Error-----	
	1997	1998	1997	1998
<i>Residential</i>	94.62%	94.21%	6.42%	6.90%
<i>Apartments</i>	*	*	*	*
<i>Commercial and Industrial</i>	91.06%	90.02%	17.86%	21.41%
<i>Undeveloped Land</i>	*	*	*	*
Overall	94.88%	94.49%	6.87%	7.17%

* Insufficient sales.

Note: Performance data for 1997 is provided in the State Department of Taxation’s Sales Ratio Study. The 1998 report from the State will be published in February of 2000. Performance data for 1998 are therefore estimated by the assessments office based on 1998 sales. For 1999, there is not enough information available to make an estimate.

Assessing New Construction

During the year, the real estate assessments office receives copies of building permits issued by the County for new structures, additions to buildings and remodeling of buildings. The assessments office periodically checks the progress of activity indicated on the permits. New construction requires field inspections for accurate measurements and examination. The following table shows the number of permits issued by the County in FY1997, FY1998 and FY1999.

Number of Permits Issued for Structures and Additions

	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1999</i>
<i>New Residential</i>	2,464	2,412	3,207
<i>Residential Additions, etc.</i>	3,561	3,738	3,789
<i>New Non-Residential</i>	53	35	70
<u><i>Non-Residential Additions, etc.</i></u>	<u>520</u>	<u>511</u>	<u>464</u>
<i>Total</i>	6,598	6,696	7,530

Source: Department of Public Works

Note: Only taxable properties are included in the counts above.

Estimated Dollar Amount of Permits Issued for Structures and Additions

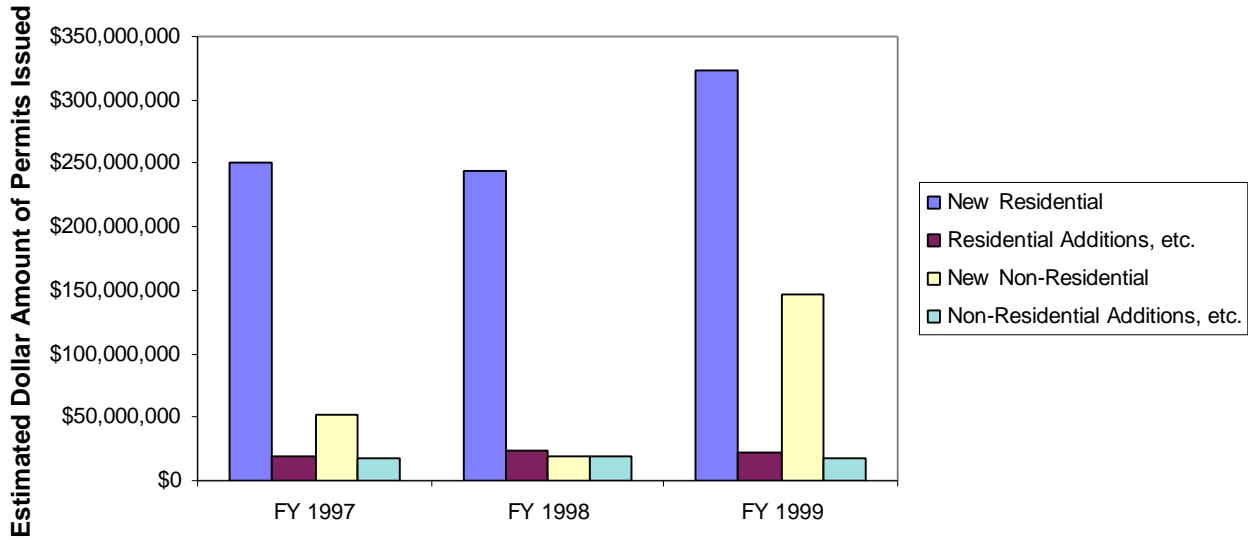
	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1999*</i>
<i>New Residential</i>	250,313,660	244,878,428	323,384,751
<i>Residential Additions, etc.</i>	18,145,648	23,634,164	22,724,777
<i>New Non-Residential</i>	51,677,240	18,923,400	146,303,734
<u><i>Non-Residential Additions, etc.</i></u>	<u>16,946,844</u>	<u>19,415,532</u>	<u>18,062,103</u>
<i>Total</i>	337,083,392	306,851,524	510,475,365

Source: Department of Public Works

Note: Only taxable properties are included in the amounts above.

* The large increase in New Non-Residential Construction Permits for FY1999 was due to significant increases in new office, hotel/motel, shopping center, and industrial space.

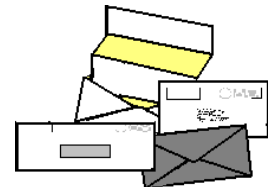
History of Estimated Dollar Amount of Permits Issued



Facilitating Assessment Notification and Appeal

Assessment Notification

Section 58.1-3330 of the Code of Virginia requires the County to notify property owners whenever reassessment results in an increase in assessed value. The County has chosen to notify all property owners of reassessment, even if there was a reduction or no change in the value.



This notification takes place around March 1 of each year and advises the taxpayer of the previous year’s assessed value and the current assessment. (See Addendum A, page B-3 for a sample notice of reassessment.)

Appeal Procedures

Taxpayers who are uncertain about the accuracy of their assessment on the basis of value or equity with other properties can bring their concerns to the real estate assessments office. The appraiser considers the information provided by the taxpayer and if this information shows the assessed value should be changed, the appraiser makes the necessary adjustment. If the evidence does not support a change, the appraiser ex-



plains the reasons for sustaining the assessment.

If taxpayers are not satisfied by the assessor's explanation, they may appeal to the Board of Equalization (BOE) or directly to court. (Taxpayers are not required to appeal to the assessments office before appealing to the BOE.) The BOE is comprised of eight County taxpayers and is established by the Board of County Supervisors to render an independent third party opinion in cases of disagreement between the taxpayer and the assessing official. Although the BOE is a quasi-judicial board, there is no fee and an attorney is not required.

Property owners may appeal to the court system if they do not agree with the decision of the assessments office or the BOE. In FY1999, taxpayers appealed two new cases to Circuit Court. There were five court cases resolved as a result of negotiated settlements outside of court with awards to the plaintiffs totaling \$405,405. As of June 30, 1999, there are twelve court cases pending.

Appeal Adjustments

As a result of an appeal to the real estate assessments office, the BOE, or Circuit Court, an assessment may be changed. The table below shows appeal activity for FY1997 to FY1999. Developers may appeal many residential lots at the same time and each lot appealed is counted separately. For example, in FY1997 approximately 400 lots were appealed by five developers and were counted as 400 appeals. Upon reviewing the values, the assessments office may change any or all of the lots. Since each of the lots are counted separately, the number of appeals and the number changed by the assessor may be large and may fluctuate substantially from year to year. Some properties are appealed to both the assessments office and to the BOE. In the chart below, each appeal is counted. A history of appeals and the resulting adjustments can be found in Table 3 of the Statistical Appendix, page A-3.

Summary of Appeal Activity

	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1999</i>
<i>Appeals to Assessor</i>	835	616	376
<i>Changed by Assessor</i>	607	317	292
<i>% Changed*</i>	73%	51%	78%
<i>Appeals to BOE</i>	415	615	334
<i>Changed by BOE</i>	189	42	42
<i>% Changed*</i>	46%	7%	13%
<i>Appeals to Court</i>	16	8	2
<i>Total Appeals</i>	1,266	1,239	712
<i>Appeals as % of Total Parcels</i>	1.37%	1.31%	0.74%

* May have been decreased or increased.

Administering Real Estate Tax Relief Programs

Prince William County provides relief from real estate taxes for those who are elderly or disabled and meet specified income and net worth requirements. Certain land uses may also qualify for tax relief to encourage preservation of agriculture, forestry and open space.



Tax Relief for the Elderly and Disabled

Certain low income elderly or disabled persons are eligible for relief from real estate taxes on their home and a home site of up to one acre if they meet the following criteria:

- Are over 65 years of age on or before December 31, or are totally and permanently disabled.
- Have less than \$150,000 in total assets (residence and up to one acre excluded).
- Do not exceed the maximum combined income requirements set forth in local ordinances.

The assessments office provides information to taxpayers about the tax relief program in the following ways:

- The notice of reassessment is sent to all property owners in March and contains the criteria for tax relief and the deadline for filing (see Addendum A, page B- 3).
- Tax Info, the County’s taxpayer newsletter, has an overview of the tax relief program (see Addendum B, page B-5).
- A tax relief brochure containing specific information regarding eligibility and application is available in the assessments office and various other County agencies (see Addendum C, page B-9), including Finance Department counters and senior citizens' centers.

The following table summarizes eligibility type (exemption or deferral) and the percentage deferral of 1999 taxes for different ranges of income. The Board of County Supervisors establishes the income ranges based on the Housing and Urban Development low income limit. For 1999, the limit is \$36,250 and each range is determined using a percentage of that value.

1999 Tax Relief

<i>Percent of HUD Low Income Limit</i>	<i>Combined Income</i>	<i>Percentage of Tax Relieved</i>
0%-66%	\$0-\$22,000	100% Exemption
66%-85%	22,001-30,813	100% Deferred
85%-90%	30,814-32,625	75% Deferred
90%-95%	32,626-34,438	50% Deferred
95%-100%	34,439-36,250	25% Deferred

Each applicant must file an application for tax relief with the Director of Finance at the real estate assessments office each year between January 1 and April 15. The County sends renewal applications to those who received tax relief the preceding year. Individuals who do not receive an application may request one by calling the real estate assessments office.

A summary of real estate tax relief for the elderly and disabled is shown in the following table. Additional historical information about real estate tax relief is provided in the Statistical Appendix, Table 2, page A-3.

Summary of Real Estate Tax Relief for the Elderly and Disabled

	<i>1997</i>	<i>1998</i>	<i>1999</i>
<i>Households Exempted</i>	730	682	731
<i>Households Deferred</i>	163	211	188
<i>Total Number of Households</i>	893	893	919
<i>Amount Exempted</i>	\$ 952,411	\$ 905,620	\$ 1,010,781
<i>Amount Deferred</i>	210,384	274,127	254,824
<i>Total Amount Relieved</i>	<u>\$ 1,162,795</u>	<u>\$ 1,179,747</u>	<u>\$ 1,265,605</u>
<i>Average Amount Exempted</i>	\$ 1,305	\$ 1,328	\$ 1,383
<i>Average Amount Deferred</i>	\$ 1,291	\$ 1,299	\$ 1,355

Note: The 1999 numbers include applicants through June 30, 1999. Late applications may be filed later.

Tax Relief Based on Use Value Assessment

The Prince William County Use Value Assessment Program provides tax relief to certain agricultural, forestal, horticultural and open space property owners. The program allows qualifying land to be taxed according to its use value rather than its market value. The State Land Evaluation Advisory Committee suggests values for land in the program. These values range from \$40 per acre to \$650 per acre, depending on the type of land.

The tax difference is deferred, but not automatically forgiven. The deferred tax remains payable for six years. When property owners of land in the Use Value Assessment Program either change the use to a non-qualifying use or re-zone their property to a more intensive zoning, they must pay taxes (including interest) on the difference between the property's market value and its use value for the current year and the five most recent complete tax years. This tax is called a "rollback tax." (See "Undeveloped Land," page 24 for more information.)

Tax Relief for Rehabilitated Real Estate

An ordinance enacting a partial tax exemption for real estate that is substantially repaired, rehabilitated or replaced became effective on January 1, 1998. The program is intended to encourage owners to improve the condition and appearance of their property. Exemptions are allowed for all improved property types. The construction must increase the value of the

structure at least 25% as a result of the rehabilitation to qualify for the exemption. Minimum age and maximum size increase requirements depending on property type must also be met.

The tax exemption for properties in the rehabilitation program is applied over a fifteen-year period. Taxes are based on the assessed value of the property in its original condition for the first ten years it is in the program. For the next five years, the assessed value is increased in percentage increments until the property is assessed at its full renovated value.

The program has been advertised in local newspapers via a County press briefing. It is currently advertised through booklets and brochures distributed to public agencies and private businesses for display at customer service counters and information kiosks.

Thirty-six inquiries have been made to the assessments office requesting more information about the partial tax exemption. Three applications have been approved for participation in the program. Thus far one of the properties is complete. The owner saved \$2,988 in taxes for 1999.



Providing Customer Service

The real estate assessments office provides services to all taxpayers in the form of accurate, equitable assessments. In addition, each year the assessments office provides direct assistance to thousands of citizens on an individual basis. One of the most direct forms of customer service is responding to appeals by taxpayers who are not certain their assessment is correct. Taxpayer appeals are explained in the “Appeal Procedures” section, page 8. Several other direct customer services provided by the assessments office are explained below.

Walk-in Customers

The assessments office has two main types of walk-in customers: taxpayers and real estate professionals. When taxpayers come to the real estate assessments office for assistance with understanding and applying for tax relief programs, the office works directly with them. The assessments office also has a brochure about tax relief for the elderly and disabled (see Addendum C, page B-9). Most appraisers and real estate agents use the assessment office’s sales lists, microfiche copies of tax records and on-line terminal access to the assessment database for research purposes.

Telephone Requests From Real Estate Professionals

While assessment information is available at the real estate assessments office to any citizen free of charge, many real estate professionals including brokers, agents, attorneys, appraisers and settlement companies prefer to have the assessments office do research for them. The assessments office handles these business services on a fee-for-service plan through a 900 telephone number at a charge of \$2.00 per minute.

Telephone Requests From Citizens and Public Agencies

Citizens and public agencies are not charged for their inquiries. Many citizens call for information about the method of assessment used in valuing their property or about tax due dates and other general facts. These, along with assessment appeals and calls from other public agencies, are handled as administrative calls. A summary of customer service activity is shown in the following table.

Summary of Customer Service

	<i>FY1997</i>	<i>FY1998</i>	<i>FY1999</i>
<i>Walk-in Customers</i>	1,709	2,581	2,470
<i>Real Estate Business Calls</i>	15,058	16,216	17,524
<i>Citizen/Public Agency Calls</i>	17,070	23,657	13,956

REAL ESTATE VALUES

For the purpose of comparing and analyzing real estate assessments, property in the County has been divided into several categories. The following table compares assessed values for each type of property for 1998 and 1999. Landbook values are assessments as of January 1. State-valued public service assessments and supplemental assessments are added to the landbook to form the total tax base for the County. The assessed values of untaxed properties are added to taxable properties to show the total assessed value of the County.

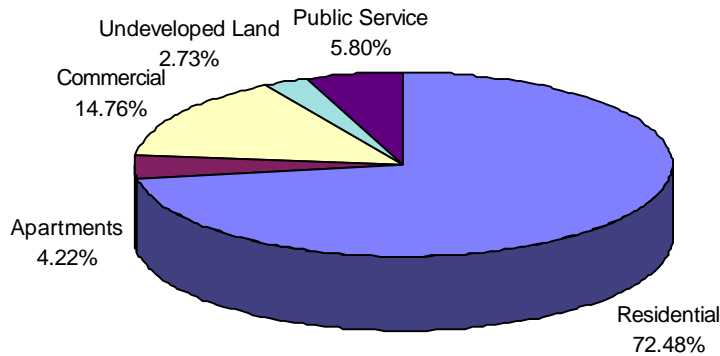
1998 and 1999 Assessed Values*

	<i>1998</i>	<i>1999</i>	<i>Percentage</i>
	<i>Assessed Value</i>	<i>Assessed Value</i>	<i>Change</i>
<i>Taxable Landbook</i>			
Residential	\$ 10,251,508,500	\$ 10,930,281,700	6.62
Apartments	612,713,100	642,422,000	4.85
Commercial and Industrial	2,153,820,300	2,232,907,300	3.67
Undeveloped Land	433,959,900	412,250,800	(5.00)
Total Taxable Landbook	13,452,001,800	14,217,861,800	5.69
<i>Supplements (1)</i>			
Residential	84,649,300	110,296,900	
Apartments	4,745,800	937,500	
Commercial and Industrial	6,963,400	15,234,400	
Undeveloped Land	34,838,800	4,000,000	
Total Supplements	131,197,300	130,468,800	(0.56)
<i>Public Service (2)</i>	866,813,779	884,150,000	2.00
Total Tax Base	14,450,012,879	15,232,480,600	5.41
<i>Tax Exempt</i>	1,436,841,000	1,443,970,900	0.50
<i>Deferred Use Value (3)</i>	246,694,700	253,753,100	2.86
Total County Value	\$ 16,133,548,579	\$ 16,930,204,600	4.94

*1998 and 1999 Assessed Values form the basis for FY1999 and FY2000 revenues, respectively.

- (1) Supplements are taxes billed for construction completed during the year and rollback taxes for properties that were eliminated from the use value program due to re-zoning. Supplements for 1999 are not currently available. The values shown are estimated from revenue projections.
- (2) Public Service assessments are received by the County from the State in September of each year. The 1999 value is an estimate from revenue forecasts.
- (3) Deferred use value is the untaxed value of properties in the Use Value Assessment Program.

Composition of Tax Base--1999 Assessed Values



Note: Estimated supplements are included in each category.

Landbook Values: Growth and Appreciation

The 1999 landbook contains assessed values for all properties in the County as of January 1, 1999. The following categories of assessments are **not** included in the landbook:

- Assessments for state-valued public service properties (these are received from the State in September each year)
- Supplemental assessments (these are made after January 1, 1999)

Each year, changes in landbook values for each category can be divided into two main influences: growth and appreciation. Changes in value due to growth result from new building construction, building alterations or improvements, and land subdivisions or re-zonings. As the table below shows, the residential, apartments and commercial categories experienced positive growth while zoning changes caused negative growth in undeveloped land. Overall, new growth caused a 3.84% increase in the landbook.

Appreciation accounts for any changes in assessed values other than value added by growth. This includes physical deterioration and changes in real estate market conditions. For the 1999 landbook, these influences caused existing residential, commercial and apartments properties to increase in value and undeveloped land to decrease. Overall, the landbook value increased 1.85% before adding new growth. Adding the 3.84% increase due to growth results in a 5.69% total increase in 1999 landbook value.

The table below shows the 1998 to 1999 landbook changes attributable to growth and appreciation. Detailed and historical data are in the Statistical Appendix page A-11.

Changes in Landbook Values--1998 to 1999

	<i>Percent Growth</i>	<i>Percent Appreciation</i>	<i>Total Percent Change</i>
<i>Residential</i>	4.60	2.02	6.62
<i>Apartments</i>	2.27	2.58	4.85
<i>Commercial/Industrial</i>	1.54	2.13	3.67
<i>Undeveloped Land</i>	(0.58)	(4.43)	(5.00)
<i>Total Landbook</i>	3.84	1.85	5.69



Residential

The residential category includes improved and unimproved parcels zoned for residential use. The improved parcels in this category are mostly single family homes, townhouses and condominiums. Total landbook value for residential properties increased 6.62% between 1998 and 1999. Growth caused a 4.60% increase in the residential assessed value.



There were approximately 2,600 new residential units added to the tax base for 1999. Appreciation caused the other 2.02% increase in the residential landbook. Some townhouse and condominium neighborhoods continue to struggle with decreasing values due to the competitive prices of comparable new homes. However, detached single family dwellings generally increased. The following tables show the landbook value of residential property for the last three years and the composition of the residential category.

Residential Landbook Assessments

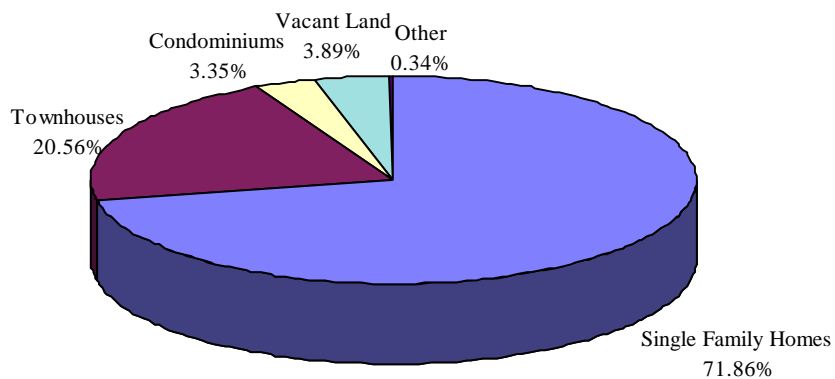
	<i>1997</i>	<i>1998</i>	<i>1999</i>
<i>Landbook Values</i>	\$9,745,596,600	\$10,251,508,500	\$10,930,281,700

Types of Residential Property--1999 Landbook

	<i>1999 Count</i>	<i>1999 Landbook</i>	<i>Percent of Total Residential</i>
<i>Single Family and Duplexes</i>	48,982	7,854,766,200	71.86
<i>Townhouses</i>	22,514	2,247,017,300	20.56
<i>Condominiums</i>	4,994	366,142,000	3.35
<i>Vacant Land</i>	14,202	424,796,000	3.89
<i>Other</i>	1,891	37,560,200	0.34
<i>Total Resid. Landbook</i>	92,583	\$ 10,930,281,700	100.00

Note: This table includes vacant lots as well as houses that were only partially complete as of January 1, 1999. Tax-exempt properties are not included.

Types of Residential Property as Percentages of 1999 Residential Landbook Value



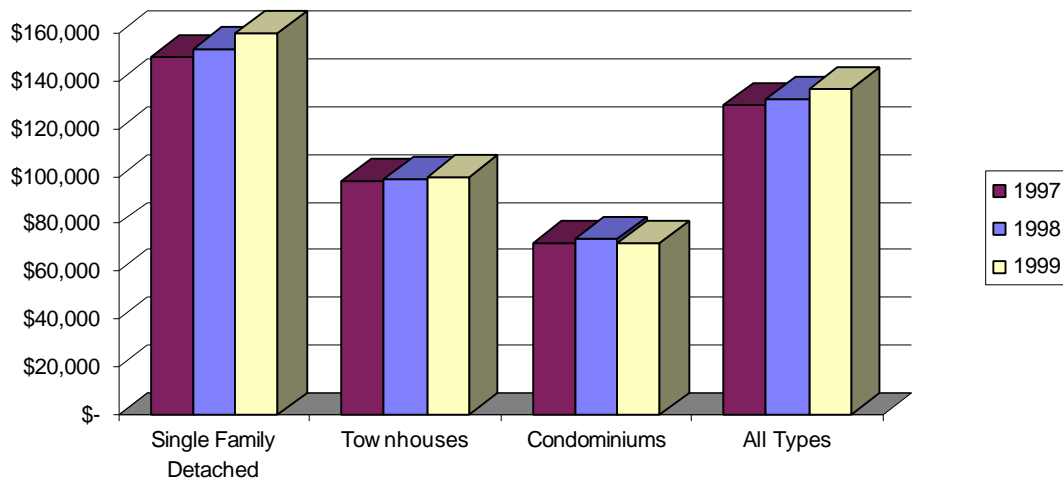
There are three main types of houses in Prince William County: single family homes, townhouses and condominiums. In 1999, single family detached homes and townhouses experienced increases in average assessed value while the average value of condominiums decreased slightly. Listed below are the average assessments of residential dwelling types for the last three years.

Average Residential Assessments by Type

	<i>1997</i>	<i>1998</i>	<i>1999</i>
<i>Single Family Detached</i>	\$ 149,867	\$153,564	\$159,873
<i>Townhouses</i>	97,802	\$98,953	\$99,714
<i>Condominiums</i>	72,319	\$73,416	\$72,224
<i>All Types</i>	129,831	\$132,435	\$136,585

Note: These averages do not include vacant lots or houses that were partially complete as of January 1, 1999. They also do not include tax-exempt properties.

Comparison of Average Residential Assessments by Type

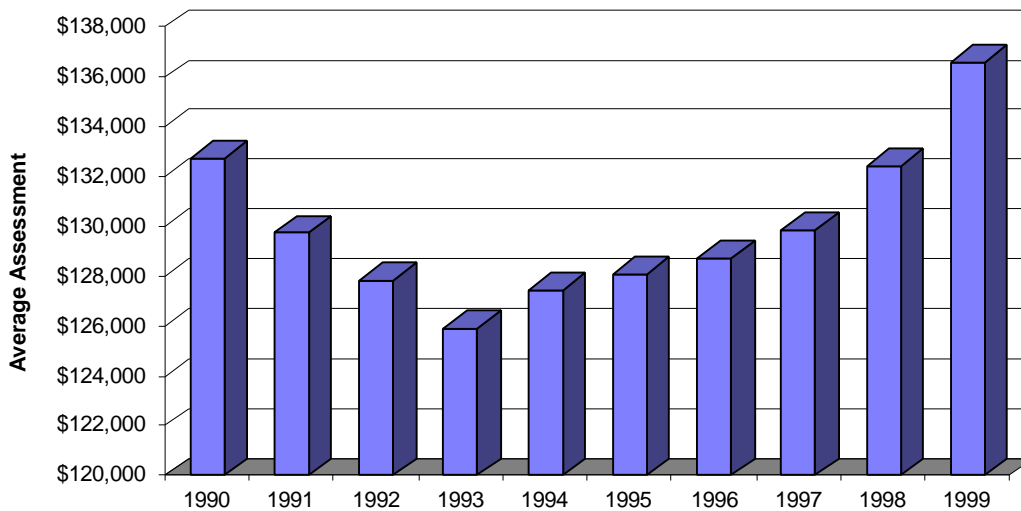


New houses can influence the average assessed value positively or negatively, depending on the size, quality and type of new construction. In general, new houses are more expensive than an average house in the County and therefore cause an increase in average assessed value. As a result, even if market factors or physical deterioration cause a decline in the value of existing properties, construction of new units may cause the average value to increase. In recent years, we have seen a general upward trend of average values in residential properties. The following table and chart show the recent overall average residential values. A longer history of average values is included in the Statistical Appendix, Table 6, page A- 5.

Overall Average Residential Assessments

	<i>Average Overall Assessment</i>	
<i>1990</i>	\$	132,720
<i>1991</i>		129,715
<i>1992</i>		127,840
<i>1993</i>		125,901
<i>1994</i>		127,447
<i>1995</i>		128,073
<i>1996</i>		128,700
<i>1997</i>		129,831
<i>1998</i>		132,435
<i>1999</i>		136,585

Comparison of Overall Average Residential Assessments



One interesting application of average residential assessed values is a comparison of average real estate tax per housing unit and average income per household. Applying the tax rate for each year to the average assessed values above gives the average real estate tax on a residential unit. The following table compares the average taxes to median income per household in Prince William County. The table shows the average residential tax bill has decreased as a

percentage of household income from 1990 to 1993 and since that time, taxes have remained relatively unchanged as a percentage of median household income.

Average Residential Tax and Average Income per Household

		<i>Average Tax per Household</i>	<i>Median Income per Household</i>	<i>Average Tax as % of Income</i>
<i>1990</i>	\$	1,805	\$ 50,283	3.59%
<i>1991</i>		1,764	52,598	3.35%
<i>1992</i>		1,739	54,887	3.17%
<i>1993</i>		1,712	57,150	3.00%
<i>1994</i>		1,733	55,531	3.12%
<i>1995</i>		1,742	56,828	3.07%
<i>1996</i>		1,750	58,126	3.01%
<i>1997</i>		1,766	59,423	2.97%
<i>1998</i>		1,801	60,721	2.97%
<i>1999</i>		1,858	61,870	3.00%

Note: Income data for 1990-1996 are projected Median Household Income figures from the Virginia Statistical Abstract 1996-97 Edition published by the Weldon Cooper Center for Public Service at the University of Virginia. Median Household Income for 1997-1999 are estimated by the Assessments Office based on a historical trend.

Apartments

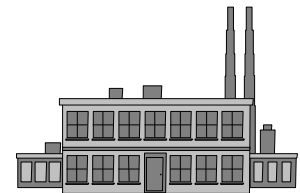
Apartments include residential rental projects containing more than 6 units as well as vacant land zoned for apartments. This category consists of 81 projects with 13,864 units. The assessed value of apartments increased 4.85% from 1998 to 1999. There were six projects (526 units) completed in 1998 and added to the tax base for the 1999 assessment. . This new construction caused a 2.27% increase in the assessed value of apartments. Two properties were reclassified and added to the apartment category for 1999. Appreciation and reclassification caused the other 2.58% increase in the assessed value of the apartment category. Higher apartment rents and lower vacancies in the Manassas and Lake Ridge areas contributed to the increase. The following table is a summary of apartment information for the last three years.

Apartment Summary

	1997	1998	1999
<i>Number of Apartment Parcels</i>	185	187	189
<i>Number of Apartment Units</i>	12,064	12,218	13,237
<i>Average Assessment per Unit</i>	\$39,630	\$43,358	\$46,386
<i>Improved Parcels Only</i>	\$ 478,098,603	\$ 529,742,302	\$ 614,015,100
<i>Undeveloped Apartment Land</i>	63,995,197	82,970,798	28,406,900
<i>Total Landbook Values</i>	\$ 542,093,800	\$ 612,713,100	\$ 642,422,000

*Average Assessment per Unit is slightly over-estimated because "Improved Parcels Only" includes the value of partially built apartment buildings, but unless the entire apartment complex was complete for Jan. 1, 1999, the units were not counted.
 Note: Tax Exempt properties are not included in this table.

Commercial and Industrial



Locally-Valued Properties

Locally-valued commercial and industrial properties consist of retail buildings, offices, industrial plants and warehouses and other parcels with commercial or industrial zoning. Properties owned by public service companies such as utility companies and railroads are not locally-assessed.

Locally assessed commercial and industrial properties increased 3.67% from 1998 to 1999. New construction caused a 1.54% increase in the commercial tax base. It is estimated that approximately 510,000 square feet of commercial space was added to the tax base. The increase in the assessed value of existing commercial property caused a 2.13% increase in the assessed value of this category. The reassessment of office buildings and commercial condominiums resulted in increased value. Shopping centers and hotel/motel properties also had slight increases. The table below contains landbook assessment information about locally-assessed commercial and industrial properties.

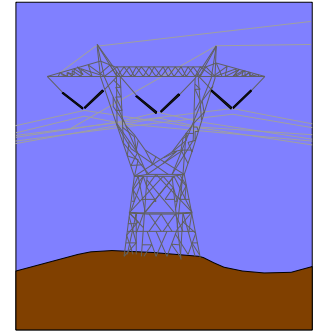
Locally-Valued Commercial/Industrial Assessments*

	1997	1998	1999
<i>Landbook Values</i>	\$2,006,496,700	\$2,153,820,300	\$2,232,907,300

*State-valued public service properties are not included in this category.

State-Valued Public Service Properties

State-valued public service properties are assessed by the State Corporation Commission (SCC) and the Virginia Department of Taxation. The SCC assesses all telecommunications companies, water corporations, intrastate gas pipeline distribution companies, and electric light and power corporations. The Virginia Department of Taxation assesses railroads and interstate pipeline transmission companies. The County receives these assessed values in September of each year and then issues bills and collects taxes. Since the assessments are not available when first half tax bills are due on July 15, the first half taxes are based on the prior year assessment and adjusted on the second half tax bill. The table below shows the total assessed values for Public Service properties.



State-Valued Public Service Assessments

	1997	1998	1999*
Assessed Value	\$830,430,439	\$866,813,779	\$884,150,000

* Public Service assessments for 1999 are not yet available. This value is an estimate from the County's revenue forecasts.

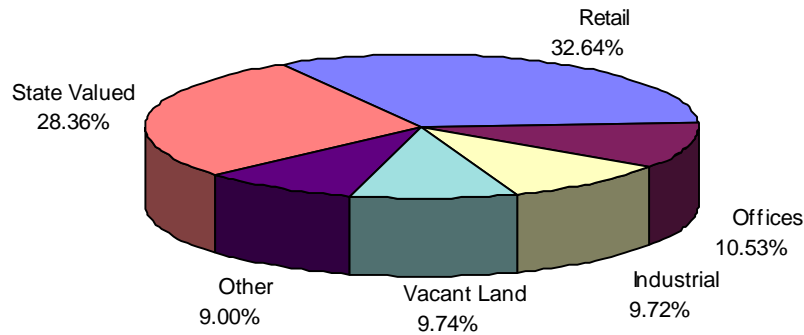
The following table and chart compare 1999 landbook values of different types of locally and state-valued properties.

Types of Commercial/Industrial Property—1999 Landbook

	Number of Parcels	1999 Landbook	Percent of Total Commercial/Ind.
Locally Assessed			
Retail	851	1,017,294,400	32.64
Offices	789	328,315,700	10.53
Industrial	414	303,115,700	9.72
Other	526	280,449,700	9.00
Vacant Land	905	303,731,800	9.74
Total Locally Assessed	3,485	2,232,907,300	71.64
Total State Valued*		884,150,000	28.36
Total Commercial/Industrial		3,117,057,300	100.00

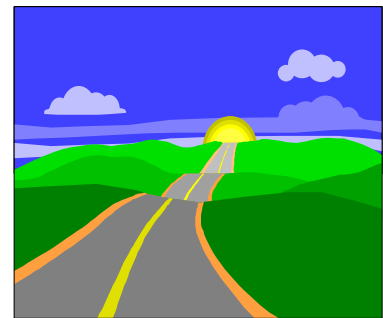
*The number of state-valued public service parcels is unavailable and the assessment is an estimate.

Comparison of Types of Commercial/Industrial Property--1999 Landbook



Undeveloped Land

This category consists of large acreage tracts of farm land and other undeveloped properties greater than twenty acres. The total decrease in value for this category from 1997 to 1998 was 5.11%. From 1998 to 1999, there was another 5.00% decrease. Since vacant land does not experience depreciation, most of the decrease in value is attributable to re-zoning and development. The following table reflects the landbook values of this category for 1997 through 1999.



Undeveloped Land Assessments

	1997	1998	1999
Landbook Values	\$457,311,700	\$433,959,900	\$412,250,800

Some of these undeveloped parcels qualify for the Use Value Assessment Program and are not taxed at market value. The State Land Evaluation Advisory Council recommends the use value assessments used by the County for property in the program. These values typically range from \$40 to \$650 per acre (see “Tax Relief Based on Use Value Assessment,” page 12 for more information).

There are 867 parcels currently in the Use Value Assessment Program. The use value

assessment for the land portion of these parcels is \$45,764,900 while the assessment at market value is \$299,518,000. (Buildings do not have use value assessments and are therefore assessed at full market value.) The estimated amount of revenue the County will defer is \$3,396,642. The table below compares use values this year with those in 1997 and 1998. The use value for properties in the program decreased 2.98% from 1998 to 1999. For a more complete history, see the Statistical Appendix, Table 5, page A-4.

Use Value Assessment Summary (Tax Years)

	1997	1998	1999
<i>Number of Acres</i>	50,796	49,481	49,853
<i>Number of Parcels</i>	849	841	867
<i>Market Value Assessment</i>	\$ 302,470,900	\$ 293,863,600	\$ 299,518,000
<i>Deferred Assessment</i>	(255,099,900)	(246,694,700)	(253,753,100)
<i>Use Value Assessment</i>	\$ 47,371,000	\$ 47,168,900	\$ 45,764,900
<i>Use Val. to Market Val. Ratio</i>	15.66%	16.05%	15.28%
<i>Deferred Tax</i>	\$ (3,469,359)	\$ (3,355,048)	\$ (3,451,042)
<i>Rollback Taxes*</i>	1,221,495	356,859	54,400
<i>Net Tax Deferred</i>	\$ (2,247,864)	\$ (2,998,189)	\$ (3,396,642)

*The 1999 value for rollback taxes is an estimate.

Land in the Use Value Assessment Program--

Market Value Estimate Compared to Use Value Assessment (Tax Years)

	1997	1998	1999
<i>Market Value Assessment</i>	\$ 302,470,900	\$ 293,863,600	\$ 299,518,000
<i>Use Value Assessment</i>	(47,371,000)	(47,168,900)	(45,764,900)
<i>Assessed Amount Deferred</i>	\$ 255,099,900	\$ 246,694,700	\$ 253,753,100
<i>Tax Deferred</i>	\$3,469,359	\$3,355,048	\$3,451,042

Supplemental Assessments

Supplemental assessments include prorated assessments on newly completed construction and rollback taxes from the Use Value Assessment Program. When construction is completed during the year, the increase in assessed value between the January 1 assessment and the

completed value is prorated based on the number of months the property is complete and fit for occupancy. The owner of the property receives a tax bill for the prorated increased value.

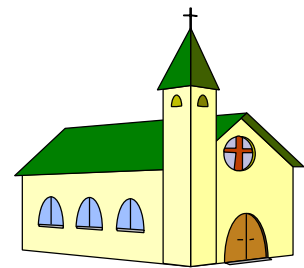
Supplemental Assessments (Tax Years)

	1997	1998	1999*
Assessed Value	\$212,431,298	\$164,949,100	\$130,468,800

*Supplemental assessments for 1999 are not yet available. This value is an estimate from the County's revenue forecasts.
 Note: There was an unusually large number of rollback tax supplements in 1997.

Tax-Exempt Properties

Section 58.1-3200 of the Code of Virginia requires the County to place an assessment on all property except road rights-of-way and public service properties, which are valued by the State. Therefore, the County is required to assess all tax-exempt properties. For 1999, there were 1,720 tax-exempt parcels consisting of federal, state and county-owned properties, as well as properties owned by churches, schools and other tax-exempt organizations.



Until FY1996, the policy regarding tax exemption as stated in the *Principles of Sound Financial Management* (Prince William County's guidelines for financial decisions) allowed for tax exemption for churches and governmental entities and recommended contribution for other charitable organizations. The policy has been amended and now states exemptions may be appropriate for charitable organizations.

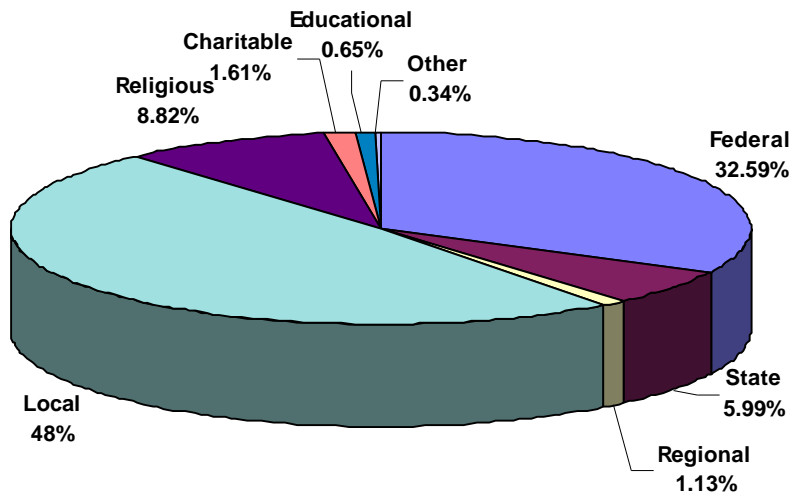
The total assessed value of exempt properties for 1999 is \$1,443,970,900 and the total amount of taxes exempted is \$19,638,004. A summary of the assessed values of tax-exempt properties by category for 1997 through 1999 and a chart showing the relative proportion of each category of tax-exempt properties for 1999 follows.

Assessed Values of Tax-Exempt Properties

	<i>1997</i>	<i>1998</i>	<i>1999</i>
<i>Federal</i>	\$ 470,158,300	\$ 468,760,100	\$ 469,015,600
<i>State</i>	83,660,300	86,101,700	89,219,600
<i>Regional</i>	16,925,100	16,255,900	16,277,600
<i>Local*</i>	681,483,200	702,951,000	704,884,200
<i>Religious</i>	121,951,600	126,781,700	126,159,900
<i>Charitable</i>	23,154,200	23,100,500	22,889,500
<i>Educational</i>	9,559,900	9,338,900	10,315,600
<i>Other*</i>	3,655,000	4,946,300	5,208,900
<i>Total Tax Exempt</i>	<u>\$ 1,410,547,600</u>	<u>\$ 1,438,236,100</u>	<u>\$ 1,443,970,900</u>
<i>% of Total County Value</i>	9.12%	8.91%	8.53%

*Potomac Hospital was reclassified from " Other" to "Local" in 1997.

Types of Tax-Exempt Properties—1998



Statistical Appendix

This page intentionally left blank.

Table 1: History of Property Record Maintenance Activity

	<i>FY 1990</i>	<i>FY 1991</i>	<i>FY 1992</i>	<i>FY 1993</i>	<i>FY 1994</i>	<i>FY 1995</i>	<i>FY 1996</i>	<i>FY</i>
<i>Deeds</i>	9,330	7,156	7,973	8,481	8,964	8,313	8,710	
<i>Wills</i>	451	262	250	381	350	394	428	
<i>New Lots</i>	3,427	1,575	1,604	1,253	3,366	2,916	2,178	

Table 2: History of Tax Relief for the Elderly and Disabled

	<i>FY 1990</i>	<i>FY 1991</i>	<i>FY 1992</i>	<i>FY 1993</i>	<i>FY 1994</i>	<i>FY 1995</i>	<i>FY 1996</i>	<i>FY</i>
<i>Number Exempted</i>	646	636	709	681	619	679	737	
<i>Amount Exempted</i>	\$791,331	\$777,995	\$734,445	\$807,108	\$811,137	\$912,509	\$920,860	\$95
<i>Number Deferred</i>	27	49	65	72	81	135	154	
<i>Amount Deferred</i>	\$24,942	\$59,225	\$75,660	\$88,338	\$88,228	\$163,524	\$181,398	\$21

* No Deferral Program in these years.

Table 3: History of Appeals Activity

	<i>FY 1990</i>	<i>FY 1991</i>	<i>FY 1992</i>	<i>FY 1993</i>	<i>FY 1994</i>	<i>FY 1995</i>	<i>FY 1996</i>	<i>FY</i>
<i>Appeals to Assessor</i>	575	1,433	1,002	832	772	603	490	
<i>Changed by Assessor**</i>	280	892	530	545	441	437	269	
<i>% Changed</i>	49%	62%	53%	66%	57%	72%	55%	
<i>Appeals to BOE</i>	67	300	380	690	1,127	494	641	
<i>Changed by BOE**</i>	25	170	257	259	301	168	229	
<i>% Changed</i>	37%	57%	68%	38%	27%	34%	36%	
<i>Appeals to Court</i>	2	0	5	23	43	18	7	
<i>Total</i>	644	1733	1387	1545	1942	1115	1138	

** May have been decreased or increased.

Table 4: History of Adjustments

	<i>FY 1990</i>	<i>FY 1991</i>	<i>FY 1992</i>	<i>FY 1993</i>	<i>FY 1994</i>	<i>FY 1995</i>	<i>FY 1996</i>	<i>FY</i>
<i>Number Adjusted</i>	273	440	787	780	1,246	800	1,055	
<i>Tax Amt. Reduced</i>	\$735,179	\$2,016,529	\$1,269,478	\$1,187,221	\$1,257,546	\$1,260,667	\$1,463,971	\$1,332

Note: These numbers include all adjustments as a result of appeals and highway takings

Table 5: Use Value Assessment Summary

<i>Year</i>	<i># of Parcels</i>	<i>Acres</i>	<i>Market Value Assessment</i>	<i>Use Value Assessment</i>	<i>Assessment Reduction</i>	<i>Percent Reduction</i>	<i>Tax Rate per \$100</i>	<i>Tax Reduction</i>
1973	517	52,903	\$ 15,531,580	\$ 5,287,660	\$ 10,243,920	65.96	4.70	\$ 481,46
1974	467	42,644	13,323,220	4,630,530	8,692,690	65.24	5.05	438,98
1975	620	57,463	32,762,000	7,245,280	25,516,720	77.89	3.62	923,70
1976	694	61,358	32,402,240	7,974,480	24,427,760	75.39	4.35	1,062,60
1977	746	66,926	34,112,580	8,468,720	25,643,860	75.17	5.25	1,346,30
1978	816	70,000	40,621,200	8,721,180	31,900,020	78.53	5.25	1,674,75
1979	862	72,000	41,700,880	8,818,400	32,882,480	78.85	5.25	1,726,33
1980	981	74,421	170,019,960	32,898,820	137,121,140	80.65	1.40	1,919,69
1981	1,043	75,683	186,334,200	33,049,800	153,284,400	82.26	1.45	2,222,62
1982	1,165	78,485	200,634,700	32,567,800	168,066,900	83.77	1.42	2,386,55
1983	1,155	76,162	204,140,600	33,785,000	170,355,600	83.45	1.39	2,367,94
1984	1,182	76,662	202,768,300	33,930,300	168,838,000	83.27	1.42	2,397,50
1985	1,145	77,238	222,607,800	43,264,100	179,343,700	80.56	1.42	2,546,68
1986	1,134	73,053	224,469,300	41,748,500	182,720,800	81.40	1.42	2,594,63
1987	1,047	71,332	291,535,500	40,086,300	251,449,200	86.25	1.30	3,268,84
1988	1,029	68,598	418,188,200	42,454,800	375,733,400	89.85	1.38	5,185,12
1989	1,004	62,461	629,815,200	49,183,100	580,632,100	92.19	1.38	8,012,72
1990	972	62,765	641,482,700	61,316,600	580,166,100	90.44	1.36	7,890,25
1991	923	57,786	518,640,500	72,679,100	445,961,400	85.99	1.36	6,065,07
1992	893	54,002	449,490,400	61,724,600	387,765,800	86.27	1.36	5,273,61
1993	883	53,346	381,613,100	49,787,500	331,825,600	86.95	1.36	4,512,82
1994	891	53,301	339,645,200	50,133,800	289,511,400	85.24	1.36	3,937,35
1995	881	53,049	320,012,900	46,461,400	273,551,500	85.48	1.36	3,720,30
1996	885	52,929	318,738,300	50,737,900	268,000,400	84.08	1.36	3,644,80
1997	849	50,796	302,470,900	47,371,000	255,099,900	84.34	1.36	3,469,35
1998	841	49,481	293,863,600	47,168,900	246,694,700	83.95	1.36	3,355,04
1999	867	49,853	299,518,000	45,764,900	253,753,100	84.72	1.36	3,451,04

*1999 rollback taxes are estimated.

**This information is not available

Table 6: Average Assessed Value History of Residential Property

<i>Year</i>	<i>Single Family and Duplexes</i>	<i>Townhouses</i>	<i>Condominiums</i>	<i>All Residential</i>	<i>Percent Change</i>
<i>1999</i>	\$159,873	\$99,714	\$72,224	\$136,585	3.13%
<i>1998</i>	153,564	98,953	73,416	132,435	2.01%
<i>1997</i>	149,867	97,802	72,319	129,831	0.88%
<i>1996</i>	147,836	97,399	72,307	128,700	0.49%
<i>1995</i>	146,752	96,179	66,148	128,073	0.49%
<i>1994</i>	144,979	97,400	73,261	127,447	1.23%
<i>1993</i>	141,319	98,995	74,996	125,901	-1.52%
<i>1992</i>	141,579	101,781	75,328	127,840	-1.45%
<i>1991</i>	143,519	101,706	70,613	129,715	-2.26%
<i>1990</i>	147,268	102,852	73,091	132,720	10.78%
<i>1989</i>	132,106	94,166	69,402	119,810	16.78%
<i>1988</i>	112,869	79,875	58,210	102,598	*
<i>1987</i>	96,800	65,846	*	*	*
<i>1986</i>	*	*	*	*	*
<i>1985</i>	*	*	*	*	*
<i>1984</i>	*	*	*	*	*
<i>1983</i>	*	*	*	*	*

*These numbers are not available.

**Total number of units as of January 1, 1999. Apartment units, tax exempt properties, houses on commercial land, vacant land and partially complete houses are not included not included.

Table 7: Assessed Values and Estimated Market Values

<i>Year</i>	-----Residential-----			-----Apartments-----			-----Com
	<i>Assessed Value (1)</i>	<i>Ratio (2)</i>	<i>Estimated Market Value</i>	<i>Assessed Value</i>	<i>Ratio</i>	<i>Estimated Market Value</i>	<i>Assessed Value</i>
1980	\$2,131,797,770	82.81%	\$2,574,365,693	126,407,900	81.90%	154,344,200	\$227,463,236
1981	2,496,165,634	83.32%	2,995,959,673	145,525,400	86.40%	168,432,176	254,782,907
1982	2,897,995,000	89.54%	3,236,546,146	154,967,400	89.50%	173,147,933	271,271,700
1983	3,106,709,600	90.19%	3,444,667,501	149,938,000	88.20%	169,997,732	286,997,800
1984	3,343,656,900	91.47%	3,655,269,910	152,684,200	79.40%	192,297,481	339,914,050
1985	3,676,671,955	92.97%	3,954,640,133	167,598,800	95.50%	175,496,126	389,988,900
1986	4,286,555,505	88.98%	4,817,572,426	152,779,407	86.10%	177,444,143	609,967,591
1987	4,915,038,157	86.26%	5,697,619,932	201,431,800	86.60%	232,600,231	868,264,514
1988	6,073,000,000	86.86%	6,991,343,815	364,937,703	87.10%	418,987,030	1,206,843,134
1989	7,375,061,119	89.57%	8,234,119,848	434,846,310	89.50%	485,861,799	1,581,679,077
1990	8,621,293,511	93.72%	9,198,674,438	497,596,200	93.70%	531,052,508	1,984,167,101
1991	8,603,397,761	95.40%	9,018,236,647	510,557,025	95.30%	535,736,647	2,110,896,331
1992	8,602,192,270	95.43%	9,014,458,397	509,531,300	95.50%	533,540,628	2,286,505,527
1993	8,606,600,138	93.04%	9,250,118,987	445,593,600	93.00%	479,132,903	2,103,214,900
1994	8,803,946,984	93.17%	9,449,674,759	500,795,500	93.20%	537,334,227	1,951,947,452
1995	9,188,858,123	93.66%	9,810,444,737	508,437,600	93.70%	542,622,839	1,895,893,800
1996	9,485,586,185	93.75%	10,118,012,026	529,799,000	93.80%	564,817,697	1,953,576,715
1997	9,860,168,457	94.62%	10,421,211,481	549,714,725	94.88%	579,378,926	2,012,226,900
1998	10,369,909,600	94.21%	11,007,190,109	617,458,900	94.49%	653,464,811	2,160,783,700
1999	11,040,578,600	94.21%	11,719,074,925	643,359,500	94.49%	680,875,754	2,248,141,700

(1) Assessed values include landbook values plus all supplements.

(2) Ratios are from the Department of Taxation Sales Ratio Study. Since the ratios for the two most current years are not available, they are estimated based on the ratio report. Where no ratio is calculated because of insufficient sales, the county average is used.

Table 7: Assessed Values and Estimated Market Values (cont.)

<i>Year</i>	-----Land-----			-----Public Service-----				<i>Estimated Market Value</i>	<i>Total Use Value Assessment</i>	<i>Total Market Assess</i>
	<i>Use Value Assm't (3)</i>	<i>Market Assm't</i>	<i>Ratio</i>	<i>Estimated Market Value</i>	<i>Public Service Equal (4)</i>	<i>Public Service Unequal (5)</i>	<i>Ratio</i>			
1980	\$206,691,850	\$343,812,990	82.70%	\$415,735,175	\$305,403,717	\$10,170,925	82.70%	\$381,589,652	3,007,935,398	3,145,
1981	199,326,460	352,610,860	85.09%	414,386,294	335,668,359	13,258,243	83.40%	418,377,221	3,444,727,003	3,598,
1982	184,653,600	352,720,500	81.72%	431,609,041	368,754,502	11,257,180	89.50%	424,594,058	3,888,899,382	4,056,
1983	193,612,700	363,968,300	93.80%	388,025,906	374,476,418	5,090,886	90.10%	421,273,367	4,116,825,404	4,287,
1984	271,745,400	440,583,400	91.10%	483,626,125	421,781,045	3,379,592	91.10%	466,696,638	4,533,161,187	4,701,
1985	385,705,790	565,049,490	83.60%	675,896,519	454,338,943	1,679,697	92.60%	492,460,734	5,075,984,085	5,255,
1986	213,311,799	396,032,599	89.10%	444,481,031	489,523,049	0	89.10%	549,408,585	5,752,137,351	5,934,
1987	438,263,836	689,713,036	86.60%	796,435,376	509,325,006	0	86.60%	588,135,111	6,932,323,313	7,183,
1988	413,299,000	789,032,400	87.10%	905,892,537	540,159,656	0	87.10%	620,160,340	8,598,239,493	8,973,
1989	891,648,993	1,472,281,093	89.50%	1,645,006,807	584,430,791	0	89.50%	652,995,297	10,867,666,289	11,448,
1990	1,147,820,291	1,727,986,391	93.70%	1,844,169,041	696,919,331	0	93.70%	743,777,301	12,947,796,434	13,527,
1991	1,081,751,418	1,527,712,818	95.30%	1,603,056,472	742,275,503	0	95.30%	778,883,004	13,048,878,038	13,494,
1992	783,096,724	1,170,862,524	95.50%	1,226,034,057	778,794,325	0	95.50%	815,491,440	12,960,120,146	13,347,
1993	640,073,845	971,899,445	93.00%	1,045,053,167	798,714,196	0	93.00%	858,832,469	12,594,196,679	12,926,
1994	567,077,027	856,588,427	93.20%	919,086,295	832,541,600	0	93.20%	893,284,979	12,656,308,563	12,945,
1995	519,823,006	793,374,506	93.70%	846,717,723	835,162,501	0	93.70%	891,315,369	12,948,175,030	13,221,
1996	515,215,493	783,215,893	93.80%	834,984,961	825,728,680	0	93.80%	880,307,761	13,309,906,073	13,577,
1997	541,820,016	796,919,916	94.88%	839,924,026	830,430,439	0	94.88%	875,242,874	13,794,360,537	14,049,
1998	468,798,700	715,493,400	94.49%	757,216,002	866,813,779	0	94.49%	917,360,333	14,483,764,679	14,730,
1999	416,250,800	670,003,900	94.49%	709,073,870	884,150,000	0	94.49%	935,707,482	15,232,480,600	15,486,

(3) Certain agricultural and forestal land is granted special use value assessment.

(4) Railroads and pipelines are valued by the Department of Taxation. Other utility property is valued by the State Corporation Commission.

(5) Part of Public Service property was phased into market value over a period of years ending in FY 1986.

Table 8: History of the Real Estate Tax Base*

	-----1992-----		-----1993-----		-----1994-----		----
	<i>Amount</i>	<i>Percent</i>	<i>Amount</i>	<i>Percent</i>	<i>Amount</i>	<i>Percent</i>	<i>Am</i>
<i>Residential</i>	\$ 8,602	66.37	\$ 8,607	68.34	\$ 8,804	69.56	\$
<i>Apartments</i>	510	3.93	446	3.54	501	3.96	
<i>Commercial/Ind.</i>	2,287	17.64	2,103	16.70	1,952	15.42	
<i>Agricultural</i>	783	6.04	640	5.08	567	4.48	
<i>Total Local</i>	12,181	93.99	11,795	93.66	11,824	93.42	1
<i>Public Service</i>	779	6.01	799	6.34	833	6.58	
<i>Total</i>	<u>\$ 12,960</u>	<u>100.00</u>	<u>\$ 12,594</u>	<u>100.00</u>	<u>\$ 12,656</u>	<u>100.00</u>	<u>\$ 1</u>

	-----1996-----		-----1997-----		-----1998-----		----
	<i>Amount</i>	<i>Percent</i>	<i>Amount</i>	<i>Percent</i>	<i>Amount</i>	<i>Percent</i>	<i>Am</i>
<i>Residential</i>	\$ 9,486	71.27	\$ 9,860	71.48	\$ 10,370	71.60	\$ 1
<i>Apartments</i>	530	3.98	550	3.99	617	4.26	
<i>Commercial/Ind.</i>	1,954	14.68	2,012	14.59	2,161	14.92	
<i>Agricultural</i>	515	3.87	542	3.93	469	3.24	
<i>Total Local</i>	12,484	93.80	12,964	93.98	13,617	94.02	1
<i>Public Service</i>	826	6.20	830	6.02	867	5.98	
<i>Total</i>	<u>\$ 13,310</u>	<u>100.00</u>	<u>\$ 13,794</u>	<u>100.00</u>	<u>\$ 14,484</u>	<u>100.00</u>	<u>\$ 1</u>

*Assessments include original landbook plus supplements.

** Supplements for 1999 are estimated.

Note: All amounts are in millions.

Table 9: Public Service and Commercial/Industrial Assessments

	1990	1991	1992	1993	1994	1995	1996	1997
<i>Public Service</i>	5.38%	5.69%	6.01%	6.34%	6.58%	6.45%	6.20%	6.00%
<i>Commercial/Ind.</i>	15.32%	16.18%	17.64%	16.70%	15.42%	14.64%	14.68%	14.53%
<i>Total</i>	20.71%	21.87%	23.65%	23.04%	22.00%	21.09%	20.88%	20.53%

* Supplements for 1999 are estimated.

Comparison of Public Service and Commercial/Industrial Assessmen

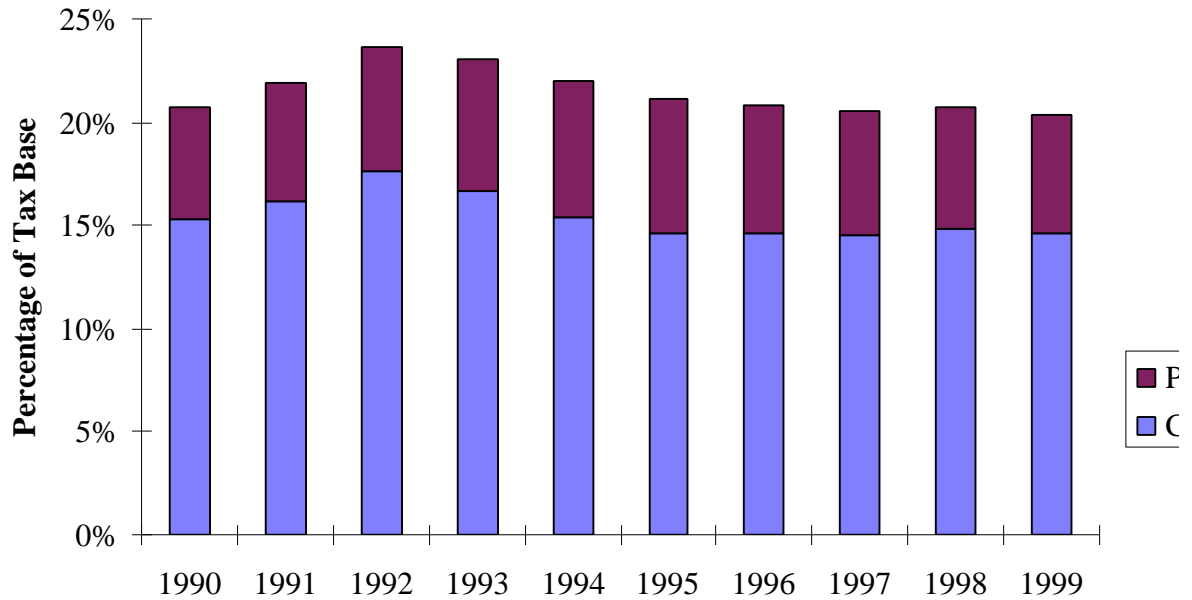


Table 10: Assessment Performance Statistics**Level of Assessment⁽¹⁾**

	<i>1989</i>	<i>1990</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1998</i>
<i>Residential Urban</i>	89.70%	93.70%	95.40%	95.80%	94.00%	94.10%	93.90%	94.06%	95.00%
<i>Residential Suburban</i>	88.00%	93.90%	95.40%	93.60%	87.80%	91.00%	92.50%	92.14%	91.00%
<i>Residential Average</i>	89.57%	93.72%	95.40%	95.43%	93.04%	93.17%	93.66%	93.75%	94.00%
<i>Apartments</i>	*	*	*	*	*	*	*	*	*
<i>Commercial/Industrial</i>	90.40%	93.10%	92.00%	90.60%	68.50%	93.80%	85.10%	89.23%	91.00%
<i>Agricultural Average</i>	*	*	*	*	*	*	*	*	*
<i>Overall Average</i>	89.50%	93.70%	95.30%	95.50%	93.00%	93.20%	93.70%	93.80%	94.00%

Equity of Assessments⁽²⁾

	<i>1989</i>	<i>1990</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1998</i>
<i>Residential Urban</i>	4.20%	3.50%	3.10%	3.42%	4.23%	4.66%	7.04%	6.75%	5.00%
<i>Residential Suburban</i>	6.00%	4.30%	4.10%	4.58%	9.10%	7.07%	9.69%	9.03%	10.00%
<i>Residential Average</i>	4.34%	3.59%	3.23%	3.62%	4.98%	5.39%	7.49%	7.12%	6.00%
<i>Apartments</i>	*	*	*	*	*	*	*	*	*
<i>Commercial/Industrial</i>	5.30%	9.10%	6.00%	12.42%	24.66%	12.53%	18.85%	31.07%	17.00%
<i>Agricultural Average</i>	*	*	*	*	*	*	*	*	*
<i>Overall Average</i>	4.30%	3.60%	3.20%	3.61%	6.84%	6.07%	7.77%	7.48%	6.00%

Value Bias⁽³⁾

	<i>1989</i>	<i>1990</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1998</i>
<i>Residential Urban</i>	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	101.00%	101.00%	101.00%
<i>Residential Suburban</i>	101.00%	99.00%	100.00%	100.00%	100.00%	101.00%	100.00%	100.00%	101.00%
<i>Residential Average</i>	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	101.00%	101.00%	101.00%

* Insufficient sales.

** 1998 ratios are estimated by the assessments office based on 1998 sales. There is not enough information to make an estimate for 1999.

(1) "Assessment Level" refers to the median ratio of assessment to selling price as reported by the Department of Taxation.

(2) "Equity of Assessments" is the average percentage sales deviate from the median ratio.

(3) A value higher than 100% indicates that higher-valued properties may be treated more favorably than lower-valued properties.

(4) Standards are provided by the International Association of Assessing Officers.

Table 11A: Growth and Appreciation

1997 to 1998

	<i>1997</i>		-----Appreciation-----		-----Growth-----	
	<i>Landbook Value</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	
<i>Residential</i>	\$ 9,745,596,600	\$ 126,411,900	1.30	\$ 379,500,000	3.89	\$
<i>Apartments</i>	542,093,800	36,869,300	6.80	33,750,000	6.23	
<i>Commercial/Industrial</i>	2,006,496,700	108,323,600	5.40	39,000,000	1.94	
<i>Agricultural</i>	457,311,700	(20,851,800)	(4.56)	(2,500,000)	(0.55)	
<i>Total Landbook</i>	12,751,498,800	250,753,000	1.97	449,750,000	3.53	
<i>Public Service*</i>	830,430,439	-	-	36,383,361	4.38	
<i>Total</i>	\$ 13,581,929,239	\$ 250,753,000	1.85	\$ 486,133,361	3.58	\$

1998 to 1999

	<i>1998</i>		-----Appreciation-----		-----Growth-----	
	<i>Landbook Value</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	
<i>Residential</i>	\$ 10,251,508,500	\$ 206,906,200	2.02	\$ 471,867,000	4.60	\$
<i>Apartments</i>	612,713,100	15,822,500	2.58	13,886,400	2.27	
<i>Commercial/Industrial</i>	2,153,820,300	45,937,000	2.13	33,150,000	1.54	
<i>Agricultural</i>	433,959,900	(19,209,100)	(4.43)	(2,500,000)	(0.58)	
<i>Total Landbook</i>	13,452,001,800	249,456,600	1.85	516,403,400	3.84	
<i>Public Service*</i>	866,813,779	-	-	17,336,221	2.00	
<i>Total</i>	\$ 14,318,815,579	\$ 249,456,600	1.74	\$ 533,739,621	3.73	\$

Note: All changes in Public Service are attributed to growth. The 1998 Public Service assessed value is an estimate made by the assessments office. These tables do not include supplements.

Table 11B: History of Appreciation Rates

<i>Landbook</i>	<i>Residential</i>	<i>Apartments</i>	<i>Commercial</i>	<i>Public Service</i>	<i>Land</i>	<i>C</i>
1991	-1.79%	-3.58%	-0.70%	0.00%	-3.87%	
1992	-1.75%	-10.50%	-6.25%	0.00%	-15.00%	
1993	-1.71%	-12.62%	-11.46%	0.00%	-22.28%	
1994	-0.12%	5.11%	-9.18%	0.00%	-13.03%	
1995	1.40%	0.50%	-7.00%	0.00%	-8.68%	
1996	-0.61%	0.96%	0.36%	0.00%	-3.86%	
1997	0.14%	-2.08%	1.41%	0.00%	-4.99%	
1998	1.30%	6.80%	5.40%	0.00%	-4.56%	
1999	2.02%	2.58%	2.15%	0.00%	-4.43%	

Table 11C: History of Growth Rates

<i>Landbook</i>	<i>Residential</i>	<i>Apartments</i>	<i>Commercial</i>	<i>Public Service</i>	<i>Land</i>	<i>C</i>
1991	2.33%	2.74%	6.97%	3.00%	20.80%	
1992	2.15%	13.11%	4.38%	2.00%	10.14%	
1993	1.59%	0.04%	3.75%	2.56%	5.88%	
1994	2.37%	6.71%	2.56%	0.44%	0.00%	
1995	2.81%	1.55%	3.23%	2.00%	1.64%	
1996	3.91%	1.48%	3.47%	-1.13%	-0.52%	
1997	3.61%	6.22%	1.67%	3.00%	-0.52%	
1998	3.89%	6.23%	1.94%	4.38%	-0.55%	
1999	4.60%	2.27%	1.54%	2.00%	-0.58%	

Note: All changes in Public Service are attributed to growth. The 1998 Public Service assessed value is an estimate made by the assessments office.
 These tables do not include supplements. These rates represent the effects of growth and appreciation from the prior year on the landbook for the year shown.

Table 12: Top Fifty Real Estate Taxpayers—FY1999

<i>Rank</i>	<i>Owner Name</i>	<i>1998 Assessment</i>	<i>% of Tax Base</i>	<i>Rank</i>	<i>Owner Name</i>
1	Va Electric And Power Company	\$ 431,871,955	3.016%	26	Misty Ridge Ltd Ptnshp
2	Washington Outlet Mall Ltd	160,693,300	1.122%	27	Lakeside II L P
3	Northern Virginia Electric Co-Op	146,165,718	1.021%	28	Veterans Affairs Sec Of
4	Gte South Inc.	136,973,960	0.957%	29	Combined Properties Lmted Partnshp
5	Hylton	64,503,200	0.450%	30	Pulte Home Corp
6	Wnh Limited Partnership	60,913,300	0.425%	31	Belmont Bay L C
7	Manassas Mall LLC	58,039,600	0.405%	32	Windsor Potomac Vista Ltd Ptnshp
8	Marital Trust B Trustees	53,564,900	0.374%	33	Ridgedale Inc
9	Washington Gas Light Company	52,914,334	0.370%	34	Marumscs Jefferson Joint Venture
10	Price Reit Inc	42,191,600	0.295%	35	Virginia American Water Company
11	Lbk Two L P	42,110,000	0.294%	36	Rtj Limited Liability Company
12	Potomac Mills Phase III Ltd Ptnshp	39,430,100	0.275%	37	Wal Mart Stores Inc
13	United Dominion Realty Trust Inc	38,724,500	0.270%	38	Prince William Square Associates
14	Acquiport Midatlantic Retail Inc	34,108,600	0.238%	39	Greenhill Associates
15	Westminster Presbyterian Retiremen	32,509,300	0.227%	40	Richmond American Homes Of Va
16	Vms Anden Southbridge Venture	29,360,000	0.205%	41	U S Home Corporation
17	Exxon Corporation	27,369,600	0.191%	42	Housing & Urban Dev Sec Of
18	Lockheed Martin Federal Systems	26,011,600	0.182%	43	Bayvue Apartments Joint Venture
19	Westgate Apartments Limited Ptnshp	24,959,800	0.174%	44	Lake Manassas Ltd Liability Co
20	JJJ Amphitheater Limited Ptnshp	24,662,200	0.172%	45	Westridge-Oxford Limited Ptnshp
21	Manassas Promenade Ltd Partshp	24,301,600	0.170%	46	Paradise Sudley North Ltd Ptnshp
22	TC Carlyle Station Co	24,120,400	0.168%	47	Winbridge Realty Ltd Liability Co
23	Coscan Washington Inc	23,754,100	0.166%	48	Orchard Glen East Inc
24	Paradise Ridge Assocs Ltd Ptnshp	23,605,600	0.165%	49	Saul Holdings Limited Partnership
25	Powells Creek Associates	20,170,600	0.141%	50	Potomac Festival Ltd

**Total 1998 Landbook
Assessments = \$1**

Table 13: Tax Rates

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Base Tax Rate	1.4200	1.4200	1.4200	1.3000	1.3800	1.3800	1.3600	1.3600	1.3600	1.3600	1.3600	1.3600
Fire Districts												
<i>Buckhall</i>	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
<i>Wellington</i>	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0700	0.0700	0.0700	0.0700
<i>Dumfries Fire</i>	0.0250	0.0350	0.0420	0.0470	0.0500	0.0500	0.0480	0.0480	0.0440	0.0440	0.0381	0.0381
<i>Dumfries Rescue</i>	0.0200	0.0300	0.0290	0.0310	0.0280	0.0300	0.0330	0.0330	0.0329	0.0329	0.0269	0.0269
<i>Gainesville</i>	0.0490	0.0490	0.0410	0.0410	0.0410	0.0410	0.0650	0.0650	0.0410	0.0410	0.0440	0.0527
<i>Stonewall</i>	0.0400	0.0370	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0220	0.0320	0.0320	0.0320
<i>Evergreen</i>	0.0720	0.0680	0.0650	0.0650	0.0654	0.0650	0.0650	0.4100	0.0650	0.0650	0.0650	0.0650
<i>Neabsco</i>	0.0510	0.0510	0.0510	0.0500	0.0480	0.0420	0.0410	0.0410	0.0460	0.0530	0.0573	0.0573
<i>Nokesville</i>	0.0500	0.0500	0.0500	0.0500	0.0700	0.0700	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
<i>O.W.L.</i>	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450
<i>Yorkshire</i>	0.0700	0.0700	0.0700	0.0700	0.0810	0.0810	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
<i>Coles</i>	0.0720	0.0760	0.0780	0.0740	0.0740	0.0700	0.0710	0.0700	0.0700	0.0800	0.0700	0.0800
<i>Lake Jackson</i>	0.0700	0.0700	0.0700	0.0700	0.0700	0.0600	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
<i>Montclair</i>	**	**	**	0.0100	0.0100	0.0100	0.0166	0.0166	0.0166	0.0166	**	**
<i>Montclair South</i>	**	**	**	**	**	**	0.0196	0.0196	0.0196	0.0196	**	**
<i>Dale City Sanitary</i>	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0600	0.0400	0.0200	**
<i>Formost Court Service</i>	**	**	**	**	**	**	**	**	**	**	**	**
<i>Woodbine Forest Service</i>	**	**	**	**	**	**	**	**	**	**	**	**
<i>Lake Jackson Service</i>	**	**	**	**	**	**	**	**	**	**	**	**
<i>Bull Run Service</i>	**	**	**	**	**	**	0.0600	0.0700	0.0600	0.0600	0.0600	0.1000
<i>Bull Run Sanitary</i>	**	**	**	**	**	**	0.1500	0.1500	0.1500	0.1500	0.1800	0.1800
<i>Occoquan Forest Sanitary</i>	**	**	**	**	**	**	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
<i>Prince William Parkway</i>	**	**	**	**	**	**	**	0.2000	0.2000	0.2000	0.2000	0.2000
<i>234 Bypass District</i>	**	**	**	**	**	**	**	**	0.0200	0.0200	0.0200	0.0200
<i>Gypsy Moth Control</i>	**	**	**	**	**	**	**	**	0.0033	0.0033	0.0033	0.0033

Addenda

This page intentionally left blank.

**Addendum A: Sample Notice of Reassessment
PRINCE WILLIAM COUNTY
NOTICE OF REASSESSMENT FOR 1999**

THIS IS NOT A TAX BILL

NOTICE

Information concerning your
assessment and appeal procedures
is printed on the back of this
form.

TAX YEAR	PROPERTY ADDRESS
ACCOUNT NUMBER	LOT SIZE
	LEGAL DESCRIPTION
	TAX MAP ID

ASSESSED VALUE	LAND	BUILDING	TOTAL
MARKET VALUE			
JANUARY 1, 1998	29,300	125,500	154,800
JANUARY 1, 1999	29,300	127,600	156,900
USE VALUE			
JANUARY 1, 1998			
JANUARY 1, 1999			

NOTICE OF SUPPLEMENTAL ASSESSMENT ON COMPLETED STRUCTURES - ADDITIONAL INFORMATION ON BACK.

JANUARY 1 BUILDING ASSESSMENT	CURRENT BUILDING ASSESSMENT	SUPPLEMENTAL ASSESSMENT (DIFFERENCE)	PORTION OF YEAR	PRORATED SUPPLEMENTAL ASSESSMENT

**TAX RELIEF PROGRAM
FOR ELDERLY AND DISABLED**

IF YOU ARE 65 YEARS OF AGE OR OVER, OR TOTALLY AND PERMANENTLY DISABLED AND MEET THE FOLLOWING CRITERIA, YOU MAY BE ELIGIBLE FOR RELIEF FROM ALL OR PART OF YOUR 1999 REAL AND PERSONAL PROPERTY TAXES.

***GROSS INCOME LESS THAN \$36,250, AND**

***NET WORTH (EXCLUDING HOUSE AND ONE ACRE OF LAND)
LESS THAN \$150,000**

DEADLINE FOR FILING IS MAY 1, 1999

FOR ADDITIONAL INFORMATION AND/OR APPLICATION CALL 792-6780

Addendum A: Sample Notice of Reassessment (cont.)

Your Assessment

Real estate assessments form the basis for the County's largest single source of revenue and is the largest single local tax for most individuals. The Constitution of Virginia requires assessments reflect fair market value as of January 1 of each year. Your appraisal may be based on sales of similar property, the replacement cost less depreciation of your property, the income from your property or a combination of these approaches. Notices of reassessment are mailed in the spring of each year. When you receive your notice, you should review the value assigned to your property. It should correspond to what the property would have sold for on January 1, 1997. If you are not sure the assessment is correct, you may wish to contact friends or neighbors to determine if your assessment appears to be equitable with similar properties.

What to do if you Disagree with the Assessment

If after reviewing the assessments of similar properties you conclude your assessment may be in error call the County's Assessment Office at (703) 792-6780 before July 1, 1996. An appraiser will discuss the assessment with you. After considering any additional information you may have, the appraiser will make any appropriate adjustments or advise you if no change will be made. A letter confirming the Assessments Office determination will be sent to you.

Because taxpayers do not always agree with the appraiser's explanation, the County has established an administrative appeal body called the Board of Equalization. This is a panel of five County taxpayers appointed by the Board of County Supervisors. They consider evidence provided by the taxpayer and the appraiser and render an opinion of the value of the property based on the evidence. Their decision is binding unless appealed to the Circuit Court. The deadline for an appeal to the Board of Equalization this year is August 1, 1996. There are no costs or fees associated with an appeal to the Board of Equalization, and the taxpayer is not required to have an attorney. The Real Estate Assessments Office will assist you with filing the proper forms. If the assessed value is changed through the appeal process, the County will refund any overpayment of taxes, together with interest on the refund.

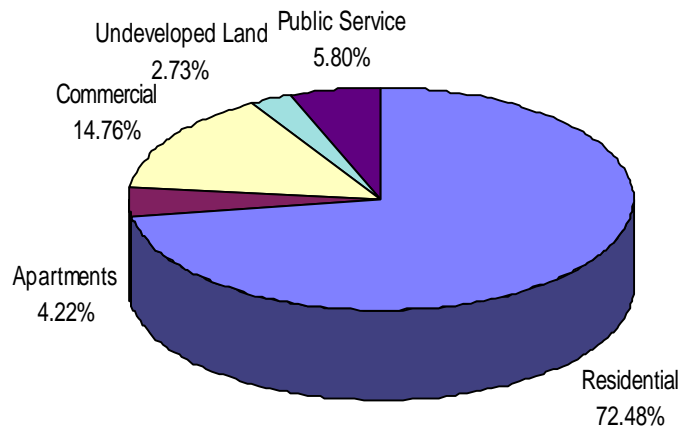
Supplemental Assessments

Prince William County also assesses buildings completed during the year. This supplemental assessment (if shown on the front) is the difference between the building's assessed value at its stage of completion on January 1, 1996, and its value upon completion. The prorated assessment upon which your bill will be based is the supplemental assessment prorated for the portion of the year that the building was substantially complete and fit for use.

Prince William County Real Estate Values

Prince William County's real estate tax base is made up of several categories of property. These categories include residential, apartments, commercial/industrial, land and public service (utilities).

A pie chart showing the relative proportions of each type is shown on the right.



1998 Total Tax Base = \$15,232,766,600

Addendum B: Rehabilitated Real Estate Program

Tax Exemption for Rehabilitated Real Estate Program

Tax Savings for Rehabilitating Your Home or Business

What is the program?

The Prince William Board of County Supervisors has approved an ordinance enacting a partial tax exemption for real estate that is substantially repaired, rehabilitated, or replaced. The tax exemption program encourages renovation and revitalization of aging structures located in the County. By improving the condition and appearance of existing properties, Prince William County will become a more appealing place for homeowners and businesses to invest.

The amount of exemption is based on the increase in building value caused by rehabilitation. The minimum increase in value of the building is 25%. Exemptions are allowed for all property types: residential, commercial or industrial, and hotel or motel. Minimum age and size increase requirements apply.

The tax exemption is applied over a 15 year period. The total tax savings is equal to 100% of the exemption each year for the first 10 years. Over the next 5 years the tax savings is reduced and the exemption is phased out as follows: 80% in year 11, 60% in year 12, 40% in year 13, 20% in year 14, and 0% in year 15. The tax exemption is transferable to a new property owner during the program period.

What are the requirements?

Participation in the program is subject to the following requirements.

- The increase in building value due to rehabilitation, renovation, or replacement must be 25% or more of the building value before any work is done.
- Residential structures must be at least 15 years old and increase in size no more than 30%.
- Commercial or industrial structures must be at least 20 years old and increase in size no more than 100%.
- Hotel or motel structures must be at least 35 years old and increase in size no more than 100%.
- You must complete the rehabilitation by December 31 of the third calendar year after your application was submitted.
- You must submit the application and \$50 non-refundable application fee after you obtain appropriate building permits, but before any work is started.
- Taxes must be kept current to qualify and remain in the program.
- All work must conform to existing building and zoning regulations.
- Applications must be filed after January 1, 1998, but before December 31, 2002.
- The maximum length of time for tax exemption is 15 years.

Other Information

The base value of the structure will be the assessed value before commencement of any work. The Assessments & Tax Policy Division will make a final appraisal of the structure after work is complete, or after three years, to determine the increase in value due to rehabilitation. All work must conform to building and zoning regulations. Increase in assessed value due to rehabilitation is not equal to rehabilitation costs.

Tax exemption is for the base real estate tax rate only and does not apply to fire and rescue levy, gypsy moth levy, stormwater management fee, or any other special taxing districts. The tax exemption does not apply to land value.

5 Steps to Exemption

To begin your real estate tax savings, follow these 5 steps toward exemption.

1. **Building Permits** Obtain all necessary building permits before applying for tax exemption. Contact the Construction Permits and Records Office at (703) 792-7125 or 792-6930. The building permit office is located in the McCoart Building at 1 County Complex Court, Prince William, VA 22192.
2. **Complete Application** Complete an application form for the Tax Exemption for Rehabilitated Real Estate Program. Include with the application copies of all necessary building permits and a \$50 non-refundable application fee. Submit the application to the Assessments & Tax Policy Division located at 4379 Ridgewood Center Drive, Suite 203, Prince William, VA 22192.
3. **Determine Base Value** Upon application approval, the Assessments & Tax Policy Division will inspect the property to determine the base value. The base value will be the assessed value before the commencement of any work.
4. **Request Final Inspection** When rehabilitation is complete, submit a written request for inspection to the Assessments & Tax Policy Division. Include a copy of the certificate of occupancy with the inspection request. Requests should be received prior to November 1 of the year in which the rehabilitation is complete.
5. **Begin Exemption** If the property qualifies for the tax exemption program, exemption will begin on January 1 of the next calendar year.

How do I learn more?

For more information about the exemption program, or to make an appointment to discuss the program, contact the Assessments & Tax Policy Division at (703) 792-6780. Offices are located at 4379 Ridgewood Center Drive, Suite 203, Prince William, VA 22192. Applications can be obtained by calling the Assessments & Tax Policy Division. Information booklets and applications are also available at the building permit office located in the McCoart Building at 1 County Complex Court, Prince William, VA 22192.

Application for Tax Exemption for Rehabilitated Real Estate

I (we) hereby request a real estate tax exemption for a structure to be substantially rehabilitated as provided in Chapter 26, Article XIII, Section 26-210 through 26-217 of the Code of Prince William County.

A \$50 non-refundable application fee and copies of applicable building permits must accompany this application.

Ownership and Property Address

Owner(s) of record of real estate:	_____
Address of real estate:	_____
GPIN or Tax ID Number:	_____

Property Type and Age

Property type (check one):	<input type="checkbox"/> Residential	<input type="checkbox"/> Commercial or Industrial
	<input type="checkbox"/> Hotel or Motel	
Year structure was built:	_____	
Is the property a registered Virginia landmark?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the property part of a registered historic district?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Property Description

Square footage of structure (prior to the proposed rehabilitation):	_____
Square footage of structure (after the proposed rehabilitation):	_____
Does the rehabilitation include the demolition of an existing structure?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Please describe the proposed rehabilitation _____	

I (we) certify that the statements contained in this application are true to the best of my (our) knowledge.	
Owner(s) Signature: _____	Date: _____
	Date: _____
Mailing Address: _____	
Daytime Telephone: _____	

Office Use Only

Fee paid: _____	Building permits attached:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Date received: _____	Delinquent real estate taxes:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Receipt number: _____	Zoning approval number:	_____
Base value before rehabilitation (building only): _____		
Estimated increase in value: _____		
Estimated value after rehabilitation (building only): _____		

This page intentionally left blank.

**A
Citizen's Guide
To
Tax Relief Programs
for
Elderly and Disabled Per-
sons**



**Department of Finance
Real Estate Division
Prince William County
Virginia**

**Tax Relief Programs
For
Elderly and Disabled Persons**

Senior citizens are eligible for certain relief programs if they meet certain criteria (see page 10). These programs include relief from certain taxes, the vehicle tax, and a reduced tax rate on the sale of a principal residence. Qualifying limits apply to these programs. The limits in this section are for the year beginning January 1, 2000.

Tax relief is granted to eligible persons who apply for a new application. Applications may be filed on or after January 1st, but before April 1st.

Elderly Persons:

Senior Citizens:

To qualify, an applicant must be at least 65 years of age as of January 1, 1998.

-have a gross household income of not more than \$10,000 for the first \$6,500 of income. Income earned by a spouse living in the household is excluded.

-have a combined net worth of not more than \$100,000 for which the applicant and spouse own or have an interest in one acre of land which is not a principal residence.

Disabled Persons:

To qualify, an applicant must be a resident of Prince William County and be unable to engage in any substantial gainful activity by reason of a physical or mental impairment that has lasted or is expected to last for a continuous period of not less than 12 months.

B-10

-present a certification from the Social Security Administration, Department of Veterans Affairs or Railroad Retirement Board stating that the applicant is permanently and totally disabled, or if not eligible for certification by any of these agencies, the applicant must present a sworn affidavit from two medical doctors, who are either licensed to practice medicine in Virginia or are military doctors on active duty, to the effect that the applicant is permanently and totally disabled. The affidavit of at least one of these doctors must be based on an actual physical examination.

-meet the same gross household income and net worth qualifications as those for senior citizens, except the first \$7,500 of any income received by the applicant as permanent disability compensation will be excluded as gross household income.

Relief

Real Estate

Total *exemption* of the tax on a home and up to one acre of land it occupies is granted to applicants whose gross household income does not exceed \$22,000 annually.

Total or partial *deferral* of the tax and up to one acre of land it occupies is granted to applicants whose gross household income is greater than \$22,000, but does not exceed \$36,250. Tax deferral means that the taxpayer can defer payment of some or all of the real estate taxes until the property is sold or bequeathed. The taxes accumulate with interest, but are not delinquent and no collection action is taken until the property is sold or bequeathed. The amount deferred depends upon income and is limited as follows:

<u>Combined Income</u>	<u>Percent of Tax Relieved</u>	<u>Percent of Tax You Pay</u>
\$0 - \$22,000	100% Exemption	
0%		
\$22,001 - \$30,813	100% Deferred	
0%		
\$30,814 - \$32,625	75% Deferred	
25%		
\$32,626 - \$34,438	50% Deferred	
50%		
\$34,439 - \$36,250	25% Deferred	
75%		

Deferred real estate taxes are due and payable with interest not to exceed 8% per annum within 60 days after the sale or transfer of the property, or within one year after the death of the last owner thereof who qualifies for tax deferral. Deferred taxes, together with interest shall not exceed 33% of the assessed value of the property. Please call the Real Estate Assessments Office for more information.

Personal Property and Decal

Those applicants who meet the net worth criteria above and whose combined income does not exceed \$36,250 may qualify for a reduced tax rate on their vehicle and relief from the vehicle license decal fee on one auto per household. Applicants need not own real estate or apply for real estate tax relief to be eligible. Relief from the vehicle license decal fee an exemption and is not deferred.

Residents of towns must apply to the town government for relief from the vehicle license decal fee.

Mobile Homes

For the purposes are eligible for the same qualification

Application form able beginning January 15, 2013. The application form for regular business licenses and permits will receive a

The deadline for relief is April 15, 1997. If intended by the applicant is apply of hardship and deadline was due applicant's control. Please call the Real Estate Assessments Office for more information.

NOTE: All in household income and not open for

The application for relief from the vehicle license decal fee requires the presence of a notary. There is a charge to applicants.

Real Estate Assessments Office
4379 Ridgewood
Prince William, VA

Telephone: (703)

The office is open 8:00 a.m. to 5:00 p.m.

Addendum D: Sample Tax Bill
PRINCE WILLIAM COUNTY
1999 REAL ESTATE TAX BILL
DUE JULY 15, 1999

BILL-NUMBER

PROPERTY LEGAL DESCRIPTION
ACREAGE:
DEED BOOK AND PAGE:
MAP NO.:

PROPERTY ASSESSMENT

LAND VALUE: 29,300
BLDG VALUE: 127,600
TOTAL VALUE: 156,900

PROPERTY ADDRESS:

TAX RATE & SPECIAL LEVIES: RATE

TOTAL ANNUAL TAX: 2,680.32

BASE TAX: 1.36
 FIRE:
 RESCUE:
 FIRE & RESCUE: .0650
 SANITARY DISTRICT: .1800
 SERVICE DISTRICT: .1000
 ROAD DISTRICT:
 RECREATION:
 GYPSY MOTH: .0033
 TOTAL TAX & LEVIES: 1.7083

ACCOUNT NO.

FIRST HALF TAX DUE::	1,340.16
STORM WATER FEE DUE::	25.56
OUTSTANDING COUNTY LIENS:	
DELINQUENT AMOUNT(S) DUE:	
AMOUNT DUE ON: JUL 15	<u>1,365.72</u>
IF NOT PAID BY DUE DATE	
ADD 10% PENALTY	134.02

WHERE TO CALL WITH QUESTIONS

ASSESSMENT - 792-6780
PAYMENTS - 792-6730
STORMWATER FEE - 792-7074

IF YOU WISH TO PAY BY A NOVUS NETWORK CARD (DISCOVER), PLEASE USE THE AUTHORIZATION FORM FOUND ON THE BACK.

NOTE: INTEREST ACCRUES ON: AUG 01, 99

TOP PORTION IS TAXPAYERS COPY, YOUR CANCELLED CHECK IS YOUR RECEIPT



DETACH AND RETURN BOTTOM PORTION WITH PAYMENT

PRINCE WILLIAM COUNTY
 REAL ESTATE TAX

99999 FIRST HALF 1999

06/19/99

FIRST HALF TAX DUE::	1,340.16
STORM WATER FEE DUE::	25.56
OUTSTANDING COUNTY LIENS:	
DELINQUENT AMOUNT(S) DUE:	
AMOUNT DUE ON: JUL 15	<u>1,365.72</u>
IF NOT PAID BY DUE DATE	
ADD 10% PENALTY	134.02

NOTE: INTEREST ACCRUES ON: AUG 01, 99

**MAKE CHECK PAYABLE TO
 PRINCE WILLIAM COUNTY**

MAIL
 HOMEOWNER PAYMENTS TO:
 TREASURY MANAGEMENT
 P.O. BOX 85685
 RICHMOND, VA 23285-5685

This page intentionally left blank.