REAL ESTATE ASSESSMENTS OFFICE
FINANCE DEPARTMENT
PRINCE WILLIAM COUNTY, VIRGINIA

2012 ANNUAL REPORT

2012
Annual Report

Finance Department
Real Estate Assessments Office

Prince William County, Virginia

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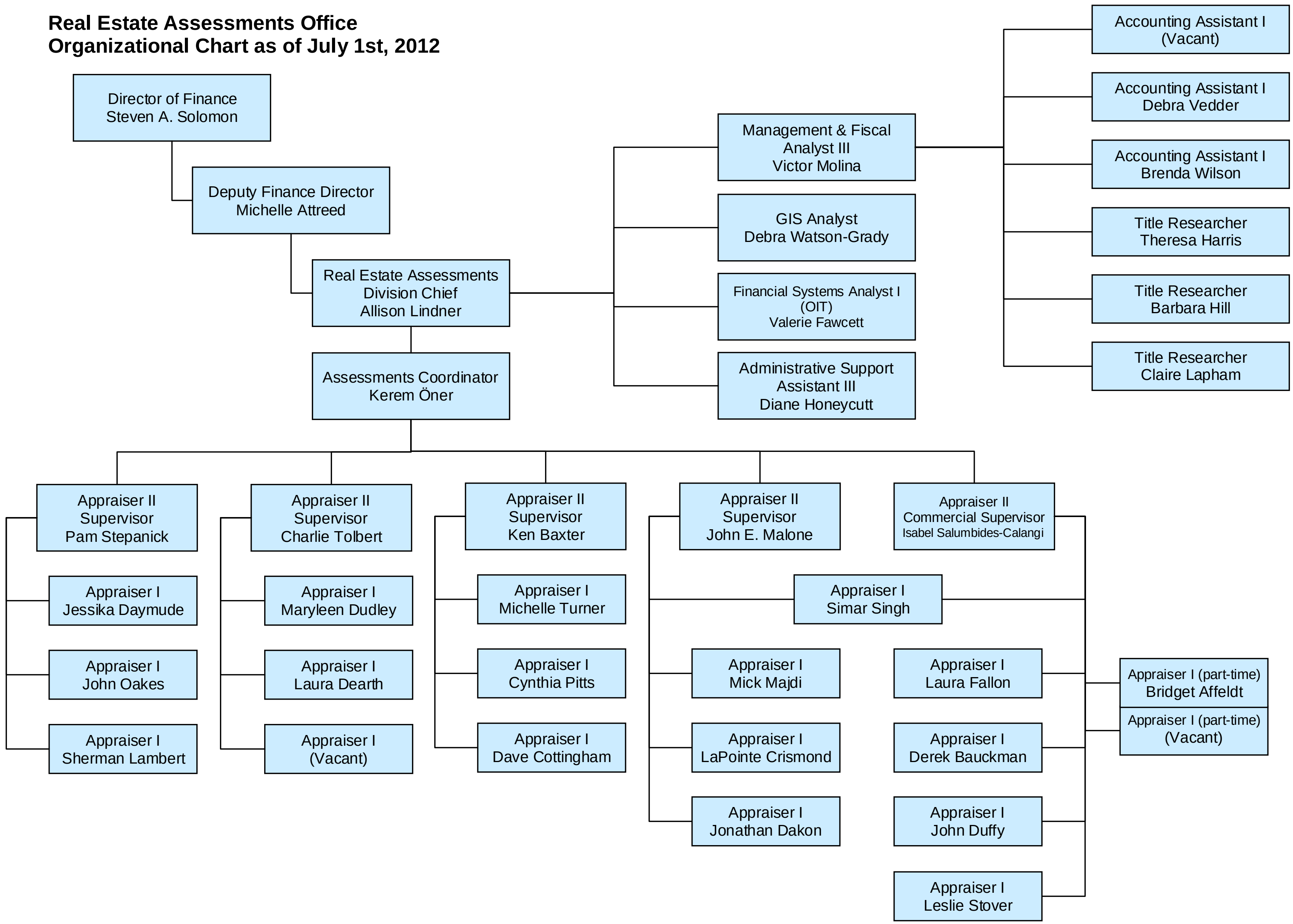
Real Estate Assessments Office
Organizational Chart as of July 1st, 2012



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Introduction

The Finance Department provides quality customer service through financial and fiduciary management

The Finance Department's Real Estate Assessments Office is responsible for annually assessing all real property in Prince William County, maintaining property ownership records, and administering the County's tax relief programs. In order to perform these duties, the Real Estate Assessments Office gathers and maintains data on every property in the County. The Real Estate 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 staff to assess property at fair market value as required by law.

Real estate assessments and taxes are based on the "tax year," which coincides with the calendar year. Assessments for 2012 were made effective on January 1, 2012, and were entered into the County's 2012 landbook. Tax payments are divided into two equal installments. Payment for the first installment is due July 16, 2012, and payment for the second installment is due December 5, 2012. The County accounts for the revenues from this tax during the fiscal year in which the due dates fall. That is, real estate assessments and taxes for tax year 2012 are recognized as fiscal year 2013 County revenues.

Tax year 2011 (fiscal year 2012) information is presented in this report. Tax year 2012 (fiscal year 2013) information is also presented although supplemental assessments and rollback taxes for tax year 2012 are not yet available and are estimated. All references regarding years are tax (calendar) years rather than fiscal years unless otherwise noted.

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 quality customer service

Maintaining Property Records

The Real Estate Assessments Office maintains property records for purposes of assessment and taxation

The Real Estate 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 Circuit Court in Manassas, Virginia. The recorded documents contain information regarding transfers, consolidations, subdivisions, and other legal changes.

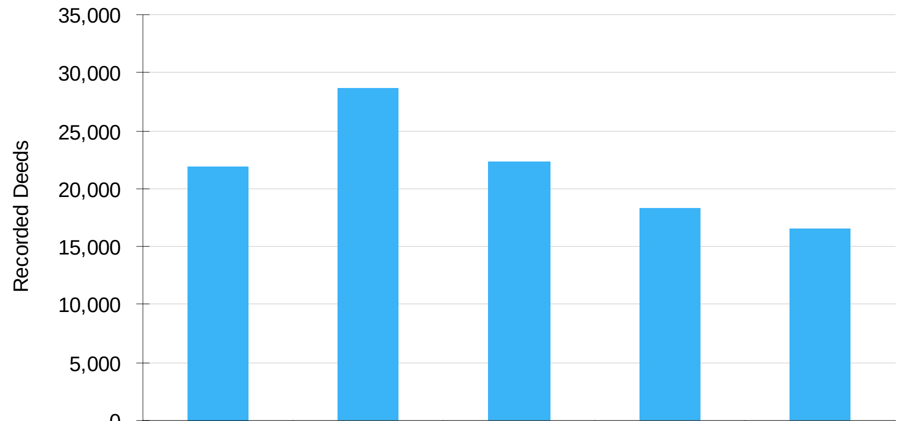
After reading each document, a determination is made whether it affects the taxable ownership, size, or configuration of the property. If it does, the necessary changes are made to property records. In some cases, information contained in the deed is conflicting. The Real Estate Assessments Office may send correspondence to settlement attorneys and title companies documenting a title issue with a deed and requesting clarification. This process ensures up-to-date records with accurate legal descriptions.

There are four types of documents and transactions handled by the Real Estate Assessments Office:

- Wills – instruments recorded upon the death of an individual. They may or may not transfer real estate.
- New Lots – parcels that are created from a subdivision or consolidation of existing land.
- Deeds – recorded legal instruments that convey an estate or interest in real property. One deed may transfer no parcels or several hundred parcels.
- Transfers – legal changes in ownership of property.

Property record maintenance activity has decreased by 1,864 transactions or 8.35% from FY2011 to FY2012

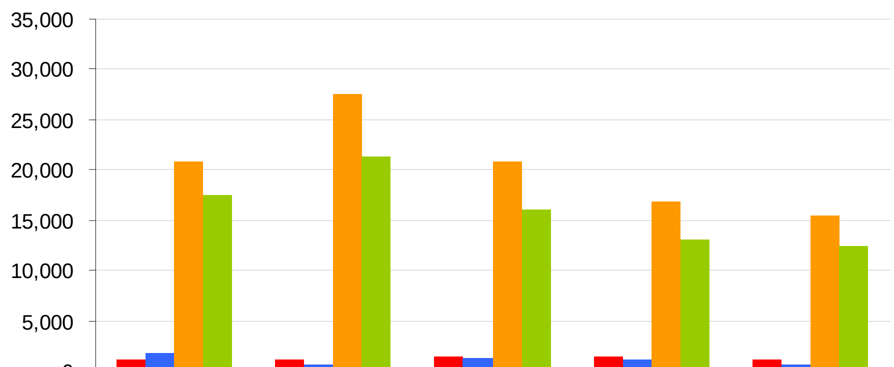
Property Record Maintenance Activity



	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Wills and Deeds	21,950	28,687	22,314	18,357	16,493

Sales transactions are used as the basis for valuing most residential properties in the County

Types of Property Maintenance Activity



	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Wills	1,067	1,169	1,426	1,479	1,109
New Lots	1,815	587	1,256	1,125	666
Deeds	20,883	27,518	20,888	16,878	15,384
Transfers	17,546	21,358	16,081	12,999	12,373

Types of property record maintenance activity for the most recent five fiscal years are shown above. A more detailed history of property record maintenance activity is shown in the Statistical Appendix, Table 1, page A-3.

Assessing Real Property

Prince William County has performed annual assessments of property since 1979

The Real Estate Assessments Office provides services to all taxpayers in the form of accurate, equitable assessments. In this manner, the Real Estate Assessments Office supports the Finance Department's mission in providing quality customer service through financial and fiduciary management.

Reassessing Existing Properties

The Code of Virginia, §58.1-3252, requires counties to reassess real estate at least every four years, and §58.1-3253 authorizes annual and biennial assessments. Prince William County has performed annual assessments of property since l979. Tax policy organizations 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.

Maintaining equity is a primary goal when assessing real estate for taxation

Regular reassessment helps maintain equity between properties as market conditions change. The standard for all assessments in Virginia is established in the Virginia Constitution, Article X, Section 2, which requires assessment at "fair market value." The only exception to this requirement is for certain agricultural, forestal, horticultural, and open space property in the Use Value Assessment Program (see page 17). The Code of Virginia §58.1-3253 further provides that annual assessments are to be made as of January 1 of each year. To perform equitable assessments, the Real Estate Assessments Office must gather accurate and consistent property information and perform proper analyses of sales and other market indicators.

Data Collection

The Real Estate Assessments Office collects information on property descriptions, sales, income and expenses, and other real estate market data. To ensure property descriptions are accurate, County appraisers 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 are physically reviewed periodically to ensure assessments are based on accurate information.

Sales and income data are the primary data sources for establishing the value of real estate

Sales and income data are the primary data sources for establishing the value of real estate. Sales transactions are used as the basis for valuing most residential properties in the County. Since 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. Surveys are mailed monthly to verify information on the sale that was obtained from documents at the courthouse. Further review may include a physical inspection of the property to confirm its condition. The review may also include contact with the buyer, seller, or other parties 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 Real Estate Assessments Office collects income and expense information from commercial property owners.

Analysis of Data

Several standard appraisal methods are used to value property

The Real Estate Assessments Office analyzes the information about market activity (sales, income, etc.) and values property based on the real estate market. Properties are reassessed each year. Therefore, each year sales, income information, and other market factors are studied and values are re-assessed according to the current real estate market.

Application of Results

Appraisers use several approaches to value property for assessment purposes. These approaches are as follows:

Cost Approach: In the cost approach, the improvement value is determined 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). The improvement value is added to the land value to produce a total value by the cost approach.

Sales Comparison Approach: The sales comparison approach is based on the principle of substitution by comparing a property with similar properties that have sold. In this approach, similar properties that have recently sold are selected for comparison. Each of the sale prices is adjusted for differences between the property that sold and the subject property. This gives an indication of the price each of the buyers would likely have paid for their property had it been identical to the subject property.

<ins>Income Capitalization Approach:</ins> The income capitalization approach produces a value indication by converting an income stream into a property value. In this approach, the effective gross income of a property is estimated by considering market rents, vacancy rates, and collection losses. Estimated normal operating expenses are deducted to generate an estimate of net operating income. This income is capitalized into an estimate of value by the application of an appropriate market capitalization rate. Capitalization rates can be derived from market data by dividing the income stream by the sale price. There are also reliable published sources for national, regional, and local capitalization rates within each major commercial sector.

To establish the 2012 assessments, the Real Estate Assessments Office reviewed all calendar year 2011 sales

Assessment Performance

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 at $450,000 that sells for $475,000 has an assessment-to-sale ratio of 94.7%. 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 to reduce the effect of outlying ratios.

For performance measurement, the Real Estate Assessments Office calculates the internal measure of assessment level based on sales that occurred prior to the assessment date of January 1 (including new construction). The Coefficient of Dispersion (COD) is the average percentage each sale deviates from the median ratio or level of assessment. A small COD indicates individual ratios are relatively close to the median ratio. A large COD indicates ratios vary greatly. The following table shows assessment levels and COD's for the most recent five years:

Calendar Year	2008	2009	2010	2011	2012
Overall Assessment Level	87.3%	84.7%	93.1%	90.4%	92.3%
Coefficient of Dispersion	8.1%	12.6%	10.5%	9.2%	8.5%

The median level of assessment is the performance statistic published annually in the Assessment/Sales Ratio Study by the Virginia Department of Taxation. The median level of assessment is an indicator of a locality's existing assessment/sales ratio. The state calculates the 2011 level of assessment by comparing January 1, 2011 assessed values to sales occurring after January 1, 2011 throughout calendar year 2011. While parcels are assessed as of January 1, the Virginia Department of Taxation study does not adjust for inflation or deflation between the start of the year and the actual sale date of parcels. As a result, any appreciation in real estate values during the year acts to understate the assessment-to-sales ratio and any depreciation acts to overstate it. The greater the rate of appreciation, the greater the understatement of the ratio and conversely, the greater the rate of depreciation the greater the overstatement of the ratio. Equity of assessments is also published in the Assessment/Sales Ratio Study and indicates the uniformity in real property assessment by measuring average error. This information is reported in Table 10 of the Appendix.

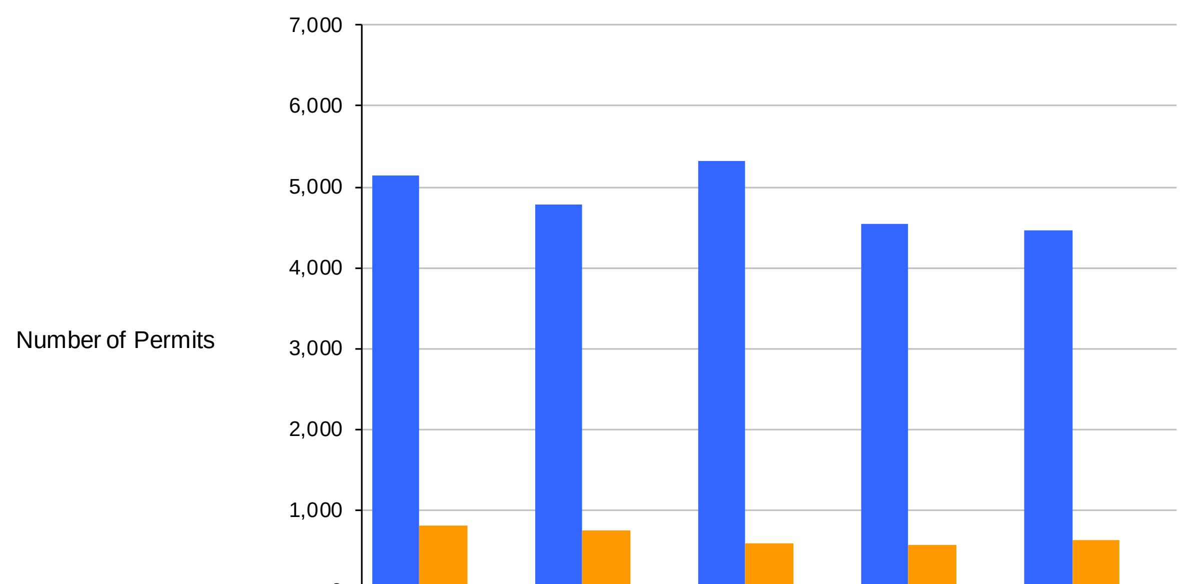
Building permit activity declined 0.39% from FY2011

The total value of new residential permits increased 14.82% from FY2011

Assessing New Construction

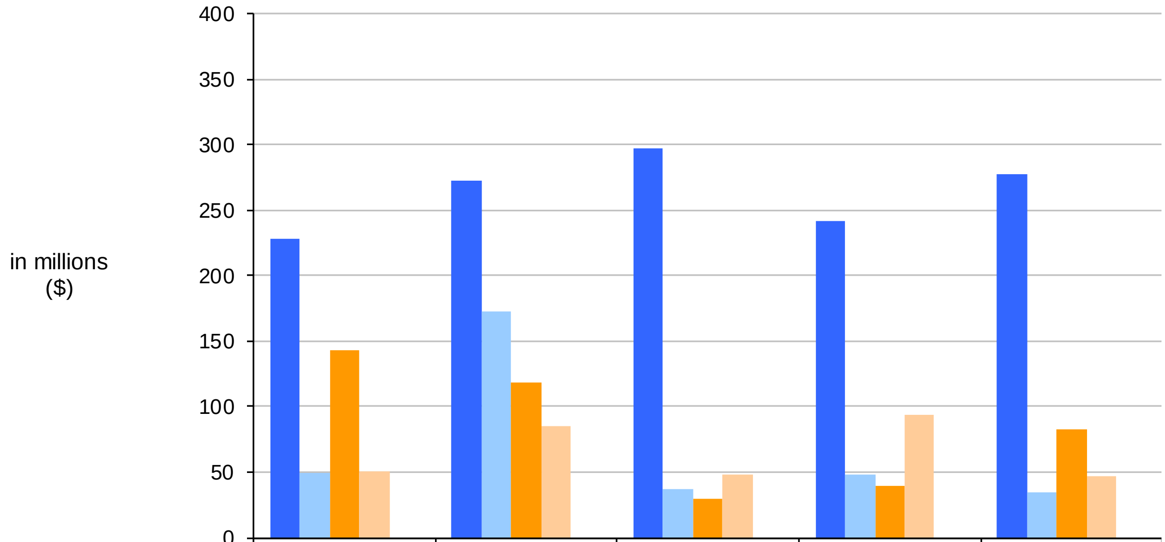
During the year, the Real Estate Assessments Office receives information on building permits issued by the County for new structures, additions, and remodeling of buildings. The Real Estate Assessments Office monitors the progress of activity indicated on the permits. New construction requires field inspections during the construction process for accurate measurements and descriptions. The following tables show the number and estimated dollar amount of building permits issued by the County from FY2008 through FY2012. The data comes from the Construction Activity Report produced by The Department of Public Works.

Number of Permits Issued, Taxable Properties



	FY 2008	FY 2009	FY 2010	FY 2011	FY2012
Residential Structures and Additions	5,142	4,776	5,325	4,547	4,465
Non-Res. Structures and Additions	816	755	582	563	625
Total	5,958	5,531	5,907	5,110	5,090

Estimated Dollar Amount of Permits Issued for Structures and Additions, Taxable Properties



	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
New Residential	$228,398,969	$272,469,789	$296,836,362	$241,881,236	$277,727,302
Residential Additions, etc.	$49,046,569	$172,830,272	$36,682,102	$48,171,553	$34,647,981
New Non-Residential	$142,729,138	$119,029,584	$30,184,149	$39,551,326	$82,715,107
Non-Residential Additions, etc.	$50,098,482	$84,619,304	$47,804,565	$93,866,716	$46,746,027
Total	$470,273,158	$648,948,949	$411,507,178	$423,470,831	$441,836,417

__The Real Estate Assessments Office mailed out approximately 134,900 reassessment notices in 2012__

Assessment Notification

The Code of Virginia §58.1-3330 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 is a reduction or no change in the value. This notification takes place in March of each year and informs the taxpayer of the previous year's assessment 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 request a review of their property value. The County appraiser considers market information relative to the property and information provided by the taxpayer. 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 explains the reasons for sustaining the assessment.

Taxpayers may also appeal to the Board of Equalization (BOE) or Circuit Court. Taxpayers are not required to appeal to the Real Estate Assessments Office before appealing to the BOE or Circuit Court. The BOE is comprised of eight County taxpayers and is established by the Board of County Supervisors (BOCS) 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 application fee and an attorney is not required.

Appeal Adjustments

As a result of an appeal to the Real Estate Assessments Office, the BOE, or Circuit Court, an assessment may be revised. Developers may appeal many residential lots at the same time and each lot appealed is reviewed separately. Upon review, the Real Estate Assessments Office may change any or all of the lot values. Since each lot is reviewed 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 Real Estate Assessments Office and to the BOE. In tax year 2011 there were 4 cases appealed in Circuit Court and as of June 30, 2012, there were 5 court cases pending.

The table below shows appeal activity for tax years 2007 to 2011. A history of appeals and the resulting adjustments can be found in Table 3 of the Statistical Appendix, page A-4.

Appeal Activity	TY 2007	TY 2008	TY 2009	TY 2010	TY 2011
Appeals to Assessor	254	731	289	270	164
Changed by Assessor	39	111	63	42	36
% Changed[1]	15%	15%	22%	16%	22%
Appeals to BOE[2]	73	611	369	222	245
Changed by BOE	12	67	28	52	46
% Changed[1]	16%	11%	8%	23%	19%
Appeals to Court	1	2	4	1	4
Total Appeals	**328**	**1,344**	**662**	**493**	**413**
Appeals as % of Total	**0.25%**	**1.02%**	**0.50%**	**0.37%**	**0.31%**

1. May be increase or decrease.
2. 2007 BOE appeals include an appeal of one subdivision with 44 lots. 2008 BOE appeals include 12 subdivision appeals with a total of 408 lots. 2009 BOE appeals include 4 subdivision appeals with a total of 187 lots. 2010 BOE appeals include 2 subdivisions with a total of 114 lots. 2011 BOE Appeals include 2 subdivisions with a total of 164 lots.

Real Estate Tax Relief Programs

Prince William County provides relief from real estate taxes and personal property taxes for those who are elderly or disabled and meet specified income and net worth requirements. Tax relief is also available to disabled veterans who meet specific disability requirements. Certain land uses may also qualify for tax relief to encourage preservation of agriculture, forestry, and open space. Lastly, older properties that undergo substantial renovations can receive a partial tax exemption for the increase in taxes caused by the renovation.

__The Real Estate Assessments Office utilizes many communication methods to reach citizens regarding the Tax Relief Program for the Elderly and Disabled__

The Real Estate 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 (see Addendum A, page B-3).
- The real estate tax bills, personal property tax bills and personal property verification forms briefly address the Tax Relief Program.
- Advertisements in the local newspaper; News & Messenger.
- Advertisement on the marquee in front of the James J. McCoart Administration Building and on Prince William County cable television Channel 23.
- A representative from the Real Estate Assessments Office visits the Sudley North and Ferlazzo Tax Administration Offices from February to April to assist applicants in completing their applications.
- A tax relief brochure (in both English and Spanish) containing specific information regarding eligibility and the application form are available in the Real Estate Assessments Office and various other County agencies (see Addendum C, page B-7), including the Finance Department's tax payment counters and senior citizens' centers.
- The County's website: www.pwcgov.org/finance.

The County sends renewal applications to those who received tax relief the preceding year.

Tax Relief for the Elderly and Disabled

Elderly or disabled persons are eligible for relief from all or part of the real estate taxes on their home and a home site of one acre if they meet the following criteria:

- Are 65 years of age or older on or before December 31, 2012; or are totally and permanently disabled.

During calendar year 2011 there were 391 new applicants accepted in the Tax Relief for the Elderly and Disabled Program and 64 applicants accepted in the Tax Relief for Disabled Veterans Program

- Have less than $340,000 in total assets (residence and up to 25 acres excluded).
- Do not exceed the maximum combined income requirements set forth in local ordinances.

The following table summarizes exemptions of 2012 taxes for different ranges of income. The income ranges are based on the Housing and Urban Development (HUD) low income limits and are adjusted annually.

Income Limits for 2012 Tax Relief Program

Combined Income	***Percentage of Tax Relieved***
$0 to $54,100	100%
$54,101 to $62,215	75%
$62,216 to $70,330	50%
$70,331 to $78,445	25%

Tax Relief for Disabled Veterans

Disabled veterans are eligible for relief from all of the real estate taxes on their home and up to one acre of land it occupies and the solid waste fee if they meet the following criteria:

- Have a disability that is 100%, service connected, permanent and total.
- Own and occupy the home as his/her principal place of residence.

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

Summary of Tax Relief for the Elderly and Disabled

	TY 2008	TY 2009	TY 2010	TY 2011	TY 2012
Tax Relief for the Elderly and Disabled					
Real Estate					
Households Relieved	2,594	2,806	3,105	3,205	3,208
Total Amount Relieved	$6,679,427	$5,981,588	$6,666,576	$7,345,377	$7,782,136
Avg. Amount Relieved	$2,575	$2,132	$2,147	$2,292	$2,426
Personal Property					
Applicants	2,832	2,997	3,381	3,506	3,468
Total Amount Relieved	$442,747	$390,000	$314,584	$403,659	$475,213
Avg. Amount Relieved	$156	$130	$93	$115	$137
Tax Relief for Disabled Veterans					
Real Estate					
Households Relieved	n/a	n/a	n/a	143	211
Total Amount Relieved	n/a	n/a	n/a	$558,978	$860,020
Avg. Amount Relieved	n/a	n/a	n/a	$3,909	$4,076

Notes:

- Tax Relief for Disabled Veterans not available prior to 2011.
- Data as of August, 2012. 2011 figures were updated.
- Taxpayers may qualify for real estate tax relief, personal property, or both.
- Exemption may be 100%, 75%, 50%, or 25%. If the applicant turned 65 or became totally and permanently disabled during calendar year 2012, the exemption is prorated based on the date the applicant turned 65 or became totally and permanently disabled.
- For 2012 there were 4,015 approved applicants receiving tax exemptions from real estate, personal property or mobile home taxes.

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 (SLEAC) suggests values for land in the program. These values range from $10 per acre to $160 per acre, depending on the type of land. Buildings do not have use value assessments and are therefore assessed at full market value.

The tax difference is deferred, but not automatically forgiven. The deferred tax remains payable for six years. There are currently 850 parcels in the Use Value Assessment Program. The table below shows the market value, the use value, and the taxes deferred for years 2008 through 2012:

Use Value Assessment Summary

	TY2008	TY2009	TY2010	TY2011	TY2012
Number of Acres	33,756	32,958	33,020	32,563	32,827
Number of Parcels	851	820	819	815	850
Market Value Assessment	$790,938,200	$563,731,200	$510,925,000	$465,178,100	$645,191,400
Deferred Assessment	-$691,425,100	-$496,543,200	-$447,285,800	-$403,710,300	-$577,004,800
Use Value Assessment	$99,513,100	$67,188,000	$63,639,200	$61,467,800	$68,186,600
Deferred Tax	-$6,706,823	-$6,018,104	-$5,528,452	-$4,860,672	-$6,975,988
Rollback Taxes	$829,413	$198,228	$241,399	$463,815	$100,000
Net Tax Deferred	-$5,877,411	-$5,819,876	-$5,287,053	-$4,396,857	-$6,875,988

Notes:
- Rollback taxes for previous years were updated.
- Rollback taxes for TY2012 are estimated.

When land owners in the Use Value Assessment Program change the use to a non-qualifying use or re-zone their property to a more intensive zoning, they must pay a "rollback tax." This tax is the difference between the property's market value and its use value for the current year and the five most recent complete tax years (including interest.)

Partial Tax Exemption for Rehabilitated Real Estate

The Board of County Supervisors adopted the Tax Rehabilitation Program to encourage owners of older properties to improve the condition and appearance of their properties

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 of older properties to improve the condition and appearance of their properties. All improved property types are eligible for the exemption. The rehabilitation or replacement structure must increase the value of the original structure by at least 25% to qualify for the exemption. Minimum age and maximum size increase requirements depending on property type must also be met. Applications and information are available on the County's website.

The amount of exemption is based on the increase in building value caused by rehabilitation and is applied over a 15 year period. The tax saving is equal to 100% of the exemption each year for the first ten years. Over the next five 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.

The following is an example of a rehabilitated property participating in the program:

Before Rehabilitation

After Rehabilitation

Summary of Tax Exemption for Rehabilitated Real Estate

Property Type	Year Exemption Began	Number of Properties	Tax Year									
			2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Residential	1999	1	$2,988	$2,988	$2,988	$2,988	$2,988	$2,988	$2,390	$1,793	$1,195	$598
Commercial	2000	4	$67,955	$67,955	$67,955	$67,955	$67,955	$67,955	$67,955	$54,364	$40,773	$27,182
Commercial	2001	1	$1,910	$1,910	$1,910	$1,910	$1,910	$1,910	$1,910	$1,910	$1,528	$1,146
Residential	2001	3	$3,489	$3,489	$3,489	$3,489	$3,489	$3,489	$3,489	$3,489	$2,791	$2,094
Residential	2002	2	$1,791	$1,791	$1,791	$1,791	$1,791	$1,791	$1,791	$1,791	$1,791	$1,433
Residential	2003	3	$1,378	$1,378	$1,378	$1,378	$1,378	$1,378	$1,378	$1,378	$1,378	$1,378
Residential	2004	4		$2,145	$2,145	$2,145	$2,145	$2,145	$2,145	$2,145	$2,145	$2,145
Residential	2005	3			$733	$733	$1,093	$1,093	$1,092	$1,092	$1,092	$1,092
Residential	2006	2				$1,900	$1,900	$1,900	$1,900	$1,900	$1,900	$1,900
Commercial*	2007	5					$143,696	$143,696	$143,696	$143,696	$143,696	$31,520
Residential	2007	5					$5,946	$5,946	$5,946	$5,946	$5,946	$5,946
Residential	2008	2						$2,869	$2,869	$2,869	$2,869	$2,869
Residential	2010	1								$351	$351	$351
Residential	2011	1									$502	$502
Residential	2012	1										$1,025
Total Tax Savings		**38**	**$79,511**	**$81,657**	**$82,390**	**$84,290**	**$234,292**	**$237,161**	**$236,563**	**$222,725**	**$207,959**	**$81,181**

* There were 5 commercial properties that reached the total combined credit limit of $750,000 in 2012.

Tax Exemption for Certified Solar Energy Equipment, Facilities or Devices Program

The Prince William County Board of County Supervisors approved an ordinance allowing a tax exemption for installed certified solar energy equipment, facilities or devices. The purpose of this exemption is to encourage the use of solar energy for water heating, space heating or cooling or other applications that would otherwise require a conventional non-renewable source of energy.

The amount of exemption is based on the certified cost of the purchase and installation of the solar energy equipment. The tax exemption is granted for a five year period as long as the equipment, facilities, or devices are used during the tax year.

Currently there are two qualifying properties enrolled in the program, receiving a combined credit of $6,536 for calendar year 2012.

The Real Estate Assessments Office pledges to do the right thing for the community and the customer every time

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 Real Estate 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 12. Several other direct customer services provided by the Real Estate Assessments Office are as follows:

Walk-in Customers

The Real Estate 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 tax relief programs, the office staff works directly with them to help them to understand their assessment and taxes and apply for tax relief if applicable. The Real Estate Assessments Office also has brochures about tax relief for rehabilitated properties (see Addendum B, page B-5) and tax relief for the elderly and disabled (see Addendum C, page B-7). Appraisers and real estate agents use the Real Estate Assessments Office sales lists and on-line access to the assessment database for research purposes.

Telephone Requests

Many citizens call the Real Estate Assessments Office for information about the method of assessment used in valuing their property or about tax due dates and other general facts. The Real Estate Assessments Office also provides tax professionals with ownership, tax and property data.

"LandRover" is the most widely used application on the County's Website

Internet Access

Real estate assessment information is available free-of-charge on the County's website via "LandRover." Ownership information, physical descriptions, sales history, and assessment history for each property in the County are provided on the website at http://www.pwcgov.org/realestate. The County's internet statistics reports consistently demonstrate that the Real Estate Assessments Office has one of the highest number of views (a count of hits to pages) and visitor sessions within the County's website. A summary of customer service activity is shown in the following table:

	FY2008	FY2009	FY2010	FY2011	FY2012
Walk-in Customers	2,541	4,642	2,685	2,606	2,750
Citizen/Public Agency Calls	21,984	23,095	16,173	14,886	14,669
Real Estate Assessments Page Views*	862,366	774,786	728,422	659,996	530,347
Total	886,891	802,523	747,280	677,488	547,766

* Page Views for March and April of FY2009 are estimated.

Notes: A page view is a count of any web page that is requested and served to any visitor of the web site.

Real Property Assessments Internet System

Improved existing residential values increased 4.53% from January 1, 2011 to January 1, 2012

The total locally assessed values increased 4.64% from January 1, 2011 to January 1, 2012

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 tax years 2011 and 2012.

Assessed Values from 2011 to 2012

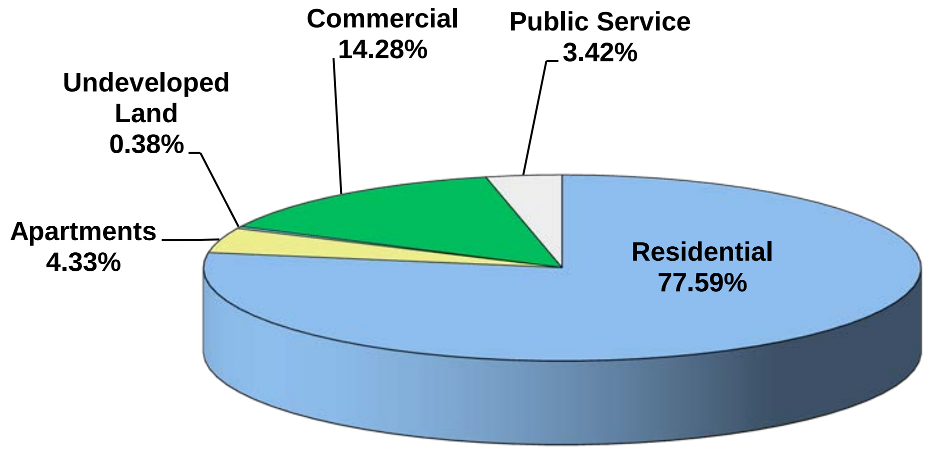
	2011	2012	*Percentage Change*
Taxable Real Estate			
Residential	$32,351,076,500	$33,646,724,300	4.00
Apartments	$1,638,886,900	$1,881,934,400	14.83
Total Residential	**$33,989,963,400**	**$35,528,658,700**	**4.53**
Commercial and Industrial	$5,869,598,700	$6,187,688,600	5.42
Public Service[1]	$1,472,610,282	$1,487,336,385	1.00
Total Commercial and Industrial	**$7,342,208,982**	**$7,675,024,985**	**4.53**
Undeveloped Land	**$160,456,300**	**$160,953,600**	**0.31**
Total Assessed - Local	**$40,020,018,400**	**$41,877,300,900**	**4.64**
Total Assessed - Non-Local	**$1,472,610,282**	**$1,487,336,385**	**1.00**
Total Real Estate	**$41,492,628,682**	**$43,364,637,285**	**4.51**
Supplements[2]			
Residential	$126,204,500	$105,851,900	
Apartments	$3,237,700	$3,237,700	
Commercial and Industrial	$29,645,400	$22,429,600	
Undeveloped Land	$2,728,000	$2,636,600	
Total Supplements	**$161,815,600**	**$134,155,800**	**-17.09**
Total Tax Base	**$41,654,444,282**	**$43,498,793,085**	**4.43**
Rollbacks [3]	$38,522,875	$8,271,299	-78.53
Tax Exempt	$3,183,168,800	$3,316,592,500	4.19
Deferred Use Value [4]	$403,710,300	$577,004,800	42.93
Total Assessed Value	**$45,279,846,257**	**$47,400,661,684**	**4.68**

1. Public Service assessments are received by the County from the state in September of each year. 2012 Public Service assessments are estimated.
2. Supplements are taxes billed for construction completed during the year. Supplemental assessments include prorated assessments on newly completed construction and prorated assessments for properties which become taxable during the year. Supplements 1, 2, and 3 for 2012 are not currently available. The values shown are estimated.
3. Rollbacks account for properties that were eliminated from the use value program due to re-zoning or development. Rollbacks for 2012 are estimated and are calculated using the base tax rate of $1.2090 per $100 of assessed value.
4. Deferred use value is the difference between the market value and use value of properties in the Use Value Assessment Program.

Notes: 2011 and 2012 Assessed Values form the basis for FY2012 and FY2013 revenues, respectively.

Each year, changes in the Landbook are attributed to growth and appreciation

Composition of Tax Base - 2012 Assessed Values



Landbook Values: Growth and Appreciation

The 2012 landbook contains assessed values for all properties in the County as of January 1, 2012. 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 of each year)
- Supplemental assessments (these are made after January 1, 2012)

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 the construction of new buildings and land subdivisions. As the table on the following page shows, the residential, apartments, commercial and industrial categories experienced positive growth from 2012. Subdivisions and changes in code class designations caused a modest 0.39% change in undeveloped land.

Changes in value due to appreciation or depreciation are the result of changes in real estate market conditions, changes in property descriptions, physical deterioration, renovations and additions. For the 2012 landbook, these factors caused residential, apartment, commercial and industrial properties, to increase in value. Overall, the landbook value increased 4.51%, of which 3.26% was due to appreciation and 1.25% to growth. The table below shows the 2011 to 2012 landbook changes attributable to growth and appreciation. Detailed and historical data are in the Statistical Appendix, page A-12.

Net Changes in Landbook Values - 2011 to 2012	***Percent Growth***	***Percent Appreciation***	***Total Percent Change***
Residential	1.24	2.76	4.00
Apartments	1.37	13.46	14.83
Commercial/Industrial	1.66	3.76	5.42
Undeveloped Land	-9.35	9.66	0.31
Total Landbook	1.25	3.26	4.51

Notes:

- Net change is not necessarily indicative of the change to a particular property. Individual assessment changes may vary considerably.
- Full decimal precision is not shown.

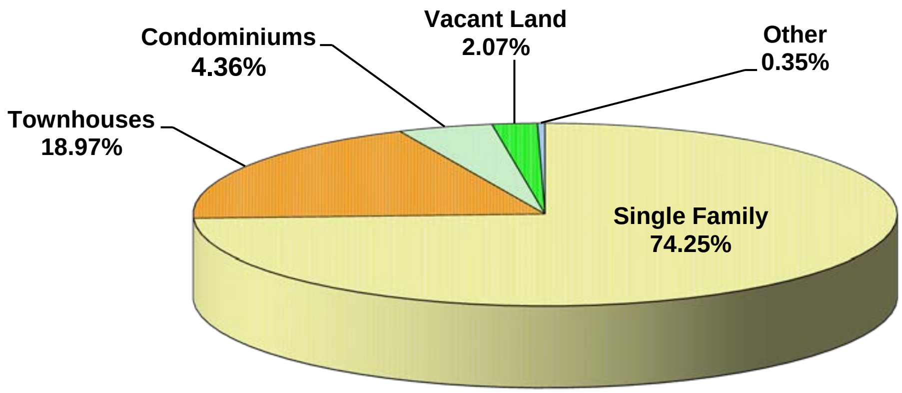
Residential

Landbook values of new and existing residential properties increased by 4%

The residential category includes improved and unimproved parcels zoned for residential use except multifamily rental apartment units. Improved parcels in this category are single family homes, townhouses, and condominiums. The residential landbook increased 4% in 2012. There were 1,299 new residential units with an average value of $376,719 added to the tax base for tax year 2012. The table below shows the landbook value of residential properties for the last five years and the following page shows the composition of the residential category, the composition of new construction, and the average assessed values of residential properties.

Residential Landbook Assessments Calendar Year		**% Change**
2008	$41,806,019,900	-12.64%
2009	$29,748,827,100	-28.84%
2010	$30,261,711,600	1.72%
2011	$32,351,076,500	6.90%
2012	$33,646,724,300	4.00%

Types of Residential Property as a Percent of Total Residential Value



Notes: This table is not a count of dwelling units in the County. Some parcels in the Single Family category may have more than one dwelling unit. New homes that were partially built as of January 1, 2012 are counted as if they were complete, although their value is discounted depending on the level of completion. Tax-exempt properties and apartment units are not included in this table.

Of the 1,299 new homes built in the County during calendar year 2011, 75.8% were single-family homes, townhouses and condominiums assessed at over the average residential average, $274,300, for tax year 2012. The average assessment of all residential new construction increased from $342,180 in 2011 to $376,719 in 2012. The following table shows the breakdown of new homes by type and value:

Type of New Residential Construction	New Units Over $274,300*		New Units Under $274,300*		All New Units	
	Count	*Average Assessment*	*Count*	*Average Assessment*	*Count*	*Average Assessment*
Single Family	845	$440,396	15	$242,540	860	$436,945
Townhouses	119	$322,056	45	$246,528	164	$301,332
Condominiums	21	$290,238	254	$228,629	275	$233,334
Total Residential	**985**	**$422,898**	**314**	**$231,859**	**1,299**	**$376,719**
Average Residential Real Estate Tax for New Homes (Tax Rate = $1.209 per $100)						$4,555

* The average assessment of all residential properties was $274,300 for 2012.

Note: This table includes residential homes completed during 2011. Homes partially built as of January 1, 2012 have been excluded.

From January 1, 2011 to January 1, 2012, the average residential assessment increased by 3.18%, from $265,841 to $274,283

Single-family homes experienced an increase in average assessed value from 2011 to 2012. Listed below are the average assessments of residential dwelling types for the last five years.

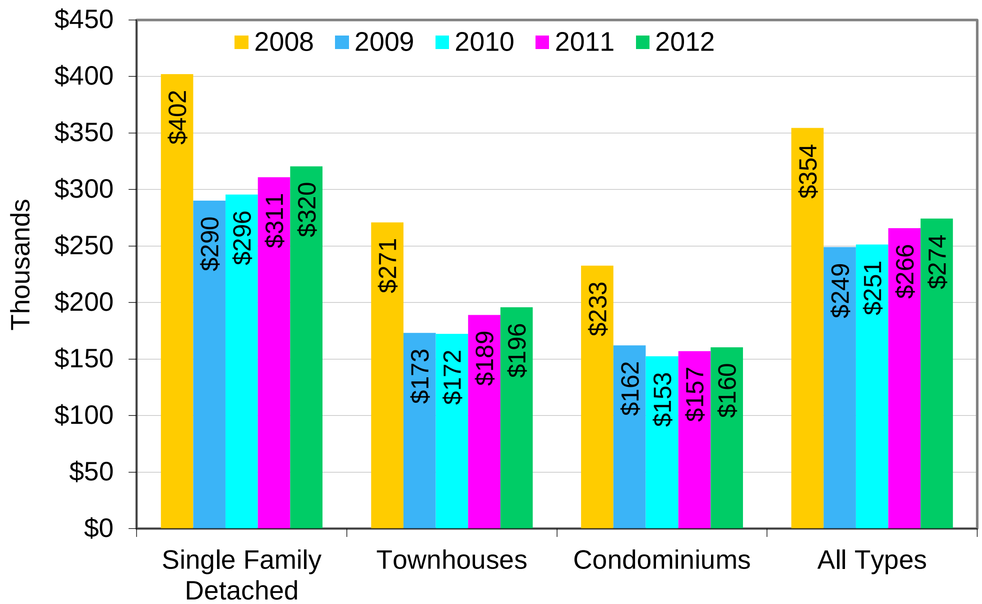
Average Residential Assessments by Type

	2008	2009	2010	2011	2012
Single Family Detached	$402,105	$290,216	$295,530	$310,683	$320,423
Townhouses	$270,937	$173,170	$172,225	$188,989	$195,910
Condominiums	$232,760	$162,247	$152,589	$157,109	$160,445
All Types	**$354,333**	**$248,946**	**$251,241**	**$265,841**	**$274,283**

Note: These averages do not include tax-exempt properties, vacant lots, residences on commercial or agricultural land, parcels with more than one residence, or houses that were partially complete as of January 1, 2012.

The average single family dwelling value increased 3.14%, from $310,683 in 2011 to $320,423 in 2012

Comparison of Average Residential Assessments by Type



New houses can influence the overall average assessed value of all homes positively or negatively, depending on the size, quality, and type of new construction. In general, new houses are more expensive than typical existing houses in the County and therefore cause an increase in the overall 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 overall average value to increase. A ten-year history of average values is included in the Statistical Appendix, Table 6, page A-6.

The assessed value of residential apartments increased 14.83% from 2011 to 2012

Apartments

Apartments include residential rental and vacant land zoned for apartments. The unit count for 2012, including the small apartment complexes, is 18,280, and the average assessment per unit is $101,256.

Apartment values increased 14.83% from 2011 to 2012, compared to a 13.6% increase from 2010 to 2011. The increase due to market activity was 13.46%, while growth added $22.4 million, or 1.37% to the tax base. The following table is a summary of apartment unit information for the last five years, excluding vacant land:

Apartment Summary	**2008**	**2009**	**2010**	**2011**	**2012**
Number of Apartment Parcels*	190	194	206	519	522
Number of Apartment Units*	17,411	17,595	17,668	18,236	18,280
Average Assessment per Unit**	$106,356	$100,505	$80,003	$88,202	$101,256
Improved Parcels Only	$1,851,762,400	$1,768,380,000	$1,413,491,500	$1,608,446,300	$1,850,954,800
Undeveloped Apartment Land	$53,105,000	$32,390,500	$29,189,800	$30,440,600	$30,979,600
Total Landbook Values	**$1,904,867,400**	**$1,800,770,500**	**$1,442,681,300**	**$1,638,886,900**	**$1,881,934,400**

* Several accounts, previously combined for billing purposes, were split into separate parcels to match the GIS database for Tax Year 2011.
Unit count was reduced by 230 from Tax Years 2011 to 2012: 28 due to a fire and 202 due to description corrections.
** Average Assessment per Unit was corrected.
Note: Tax-exempt properties are not included in this table.

Commercial and Industrial

Locally-Valued Properties

Locally-valued commercial and industrial properties consist of all non-residential uses such as retail, office, hotel, industrial, warehouse, and vacant parcels with commercial or industrial zoning. Properties owned by public service companies such as utility companies and railroads are valued by the state, but taxed locally.

The assessed value of commercial and industrial properties increased 5.42% from 2011 to 2012

Locally assessed commercial and industrial property values increased 5.42% from 2011 to 2012, compared to a 2.86% increase from 2010 to 2011. Approximately 908,808 square feet of commercial space was completed during 2011. Nearly 49% of the new commercial square footage was built within the retail sector and 21% within the industrial sector. Office space accounted for approximately 12% of the taxable commercial new construction in 2011. There were no new hotels completed in 2011. The following table contains landbook assessment information about locally assessed commercial properties overall.

Commercial/Industrial Landbook Values		Total Percent Change
2008	$7,523,842,000	15.09%
2009	$6,676,770,600	-11.26%
2010	$5,706,139,900	-14.54%
2011	$5,869,598,700	2.86%
2012	$6,187,688,600	5.42%

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

State-Valued Public Service Properties

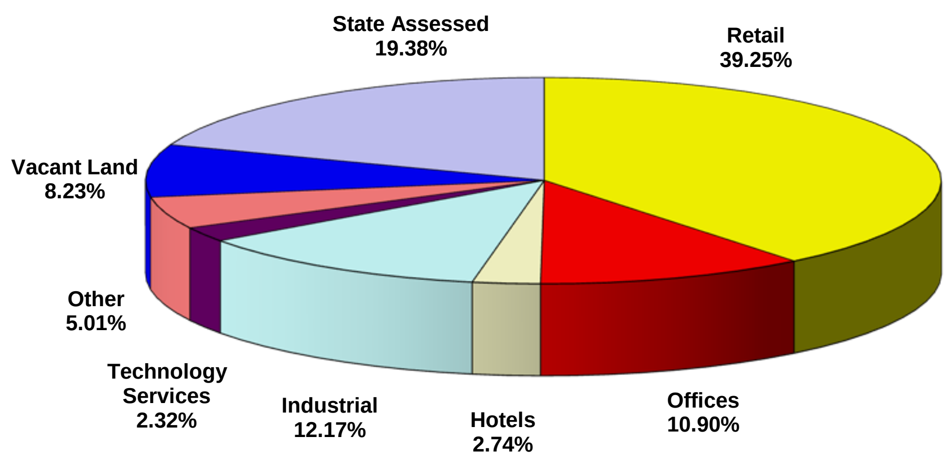
State-valued public service properties are assessed by the State Corporation Commission (SCC) and the Virginia Department of Taxation. The SCC assesses all telecommunications companies, water corporations, intrastate gas pipeline distribution companies, and electric light and power corporations. The Virginia Department of Taxation assesses railroads and interstate pipeline transmission companies. The County receives these assessed values in September of each year and then bills and collects taxes. Since the assessments are not available when first half tax bills are due, 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. A more detailed history of values for Public Service properties can be found in Table 9 and Table 11-A.

Public Service	Assessed Value
2008	$1,471,669,059
2009	$1,360,943,405
2010	$1,466,645,332
2011	$1,472,610,282
2012	$1,487,336,385

Note: 2011 figure was updated from the 2011 Annual Report. Public Service assessments are received by the County from the state in September of each year. 2012 Public Service assessments are estimated.

The following table and chart compare 2012 landbook values of different types of locally-assessed and state-valued properties.

Comparison of Types of Commercial/Industrial Property
2012 Landbook



Commercial/Industrial Property Types	Number of Parcels	Value, 2012 Landbook	Percent of Total Commercial/Ind.
Locally Assessed			
Retail	1,249	$3,012,486,900	39.25%
Offices	1,264	$836,781,200	10.90%
Hotel	41	$210,542,600	2.74%
Industrial	722	$934,255,200	12.17%
Technology Services	6	$177,637,800	2.31%
Other	426	$384,549,700	5.01%
Vacant Land	1,216	$631,435,200	8.23%
Total Locally Assessed	**4,924**	**$6,187,688,600**	**80.62%**
Total State Assessed		**$1,487,336,385**	**19.38%**
Total Commercial/Industrial		**$7,675,024,985**	**100.00%**

Note: Public Service assessments are received by the County from the state in September of each year. 2012 Public Service assessments are estimated.

Undeveloped Land

Undeveloped land consists of large acreage tracts of farm land and other undeveloped properties greater than twenty acres. From 2011 to 2012, there was a 0.31% increase in value compared to a 10.09% decline from 2010 to 2011, and a 16.77% decrease from 2009 to 2010. The current gain in value is attributed to a 9.66% appreciation and a 9.35% growth reduction due to properties being consolidated or subdivided and additional properties qualifying for use value assessments. The following table reflects the landbook values of this category for 2008 through 2012.

Vacant Land Values	
2008	$271,391,300
2009	$214,436,100
2010	$178,465,600
2011	$160,456,300
2012	$160,953,600

Some of these undeveloped parcels qualify for the Use Value Assessment Program and are not taxed at market value. These values typically range from $10 to $160 per acre (see "Tax Relief Based on Use Value Assessment," page 17 for more information.)

Supplemental Assessments

Supplemental assessments include prorated assessments on newly completed construction and prorated assessments for properties which become taxable during the year. When construction is completed during the year, the increase in assessed value between the January 1 assessment and the complete value is prorated based on the number of months the property is substantially completed or fit for use and occupancy. The owner of the property receives a supplemental tax bill for the prorated increased value.

Supplemental Assessments	
2008	$247,954,200
2009	$190,157,800
2010	$200,427,100
2011	$161,815,600
2012 (Estimated)	$134,155,800

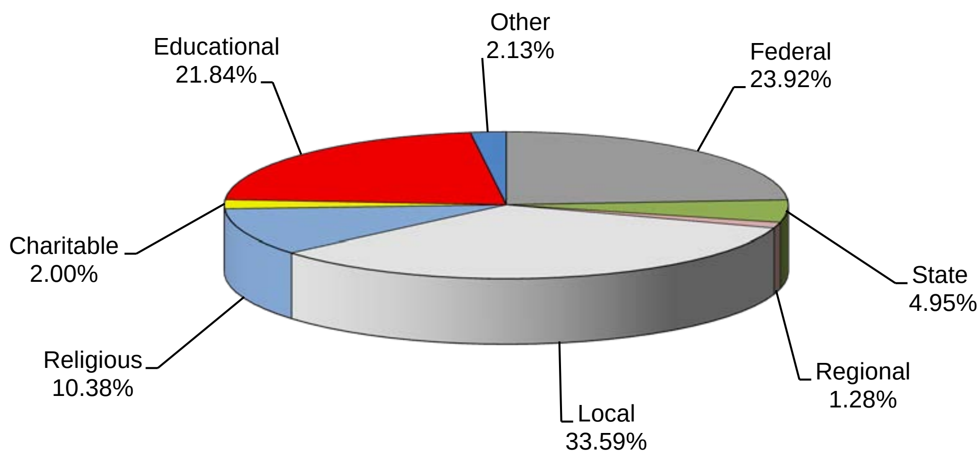
Tax-Exempt Properties

The Code of Virginia §58.1-3200 requires the County to place an assessment on all property except road rights-of-way and state-assessed public service properties. Therefore, the County is required to assess all tax-exempt properties. For 2012, there were 2,051 tax-exempt parcels consisting of

Tax-exempt properties comprise 7% of the total County tax base

federal, state, and County-owned properties, as well as properties owned by churches, schools, and other tax-exempt organizations.

The total assessed value of exempt properties for 2012 is $3,316,592,500 and the total amount of taxes exempted is $40,097,603. A chart showing the relative proportion of each category of tax-exempt properties for 2012 and a summary of the assessed values of tax-exempt properties by category for 2008 through 2012 follows.



Values of Tax Exempt Properties

Calendar Year	2008	2009	2010	2011	2012
Federal	$1,104,841,600	$919,713,900	$787,244,000	$799,110,500	$793,230,400
State	$188,752,700	$162,640,000	$159,022,700	$143,933,700	$164,080,100
Regional	$46,402,000	$41,526,700	$38,703,100	$46,371,100	$42,809,300
Local	$1,442,134,400	$1,310,320,300	$1,146,639,300	$1,098,634,400	$1,113,952,500
Religious	$347,476,000	$323,950,600	$306,453,800	$331,996,700	$344,271,500
Charitable	$57,832,800	$60,483,800	$59,557,400	$62,724,800	$66,237,400
Educational	$445,871,900	$554,466,000	$553,744,000	$632,804,600	$724,273,300
Other	$89,231,200	$78,761,600	$67,809,000	$67,593,000	$67,738,000
Total Tax Exempt	**$3,722,542,600**	**$3,451,862,900**	**$3,119,173,300**	**$3,183,168,800**	**$3,316,592,500**
% of Total County Value	6.45%	7.85%	7.28%	7.03%	7.00%

Statistical Appendix

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Table 1: History of Property Record Maintenance Activity

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Wills	404	329	829	1,453	1,146	1,067	1,169	1,426	1,479	1,109
New Lots	3,701	4,140	4,762	3,710	1,852	1,815	587	1,256	1,125	666
Deeds	20,919	23,429	23,539	29,791	19,134	20,883	27,518	20,888	16,878	15,384
Transfers	21,797	23,715	26,053	22,563	15,919	17,546	21,358	16,081	12,999	12,373

Note: Previous years were updated

Table 2: History of Tax Relief

	TY 2003	TY 2004	TY 2005	TY 2006	TY 2007	TY 2008	TY 2009	TY 2010	TY 2011	TY 2012
for the Elderly and Disabled										
Real Estate										
Number Exempted	1,385	1,632	2,220	2,412	2,453	2,594	2,806	3,105	3,205	3,208
Amount Exempted	$2,589,472	$3,317,670	$5,083,034	$5,900,724	$6,075,078	$6,679,427	$5,981,588	$6,666,576	$7,345,377	$7,782,136
Personal Property										
Number Exempted	1,506	1,752	2,317	2,583	2,642	2,832	2,997	3,381	3,508	3,468
Amount Exempted	n/a	n/a	n/a	n/a	n/a	$442,747	$390,000	$314,584	$403,659	$475,213
for Disabled Veterans										
Real Estate										
Number Exempted	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	143	211
Amount Exempted	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	$558,978	$860,020

Notes:
- Personal Property Amount Exempted not available prior 2008.
- Tax Relief for Disabled Veterans not available prior 2011.
- Data as of August, 2012.

Table 3: History of Appeals Activity

	TY 2002	TY 2003	TY 2004	TY 2005	TY 2006	TY 2007	TY 2008	TY 2009	TY 2010	TY 2011
Appeals to Assessor	254	193	247	197	176	254	731	289	270	164
Changed by Assessor	98	66	84	81	57	39	111	63	42	36
% Changed	39%	34%	34%	41%	32%	15%	15%	22%	16%	22%
Appeals to BOE	290	82	95	138	62	73	611	369	222	245
Changed by BOE	5	8	12	4	11	12	67	28	52	46
% Changed	2%	10%	13%	3%	18%	16%	11%	8%	23%	19%
Appeals to Court	1	1	1	0	0	1	2	4	1	4
Total	**545**	**276**	**343**	**335**	**238**	**328**	**1,344**	**662**	**493**	**413**

Notes:

- Changes by the Assessments Office and BOE may have been decreases or increases.
- 2004 BOE appeals include an appeal of one subdivision with 44 lots. 2007 BOE appeals include an appeal of one subdivision with 44 lots. 2008 BOE appeals include 12 subdivision appeals with a total of 408 lots. 2009 BOE appeals include 4 subdivision appeals with a total of 187 lots. 2010 BOE appeals include 2 subdivisions with a total of 114 lots. 2011 BOE Appeals include 2 subdivisions with a total of 164 lots.

Table 4: History of Adjustments

	TY 2002	TY 2003	TY 2004	TY 2005	TY 2006	TY 2007	TY 2008	TY 2009	TY 2010	TY 2011
Number Adjusted	638	447	504	392	654	405	449	441	262	291
Tax Amt. Reduced	$923,841	$790,081	$1,066,612	$1,254,980	$976,945	$766,770	$1,781,207	$1,867,243	$1,216,907	$837,787

Note: These numbers include all adjustments made as a result of real estate assessment appeals and taxpayer inquiries to the Real Estate Assessments Office.

Table 5: Use Value Assessment Summary

Year	# of Parcels	Acres	Market Value Assessment	Use Value Assessment	Assessment Reduction	Percent Reduction	Base Tax Rate per $100	Tax Reduction	Rollback Taxes (1)	Net Annual Deferral (2)
2003	821	41,122	$392,281,700	$35,456,000	$356,825,700	90.96	1.1600	$4,139,178	$1,992,396	$2,146,782
2004	808	38,808	$441,901,300	$58,910,400	$382,990,900	86.67	1.0700	$4,098,003	$1,675,725	$2,422,278
2005	801	36,717	$576,895,200	$65,220,300	$511,674,900	88.69	0.9100	$4,656,242	$868,692	$3,787,550
2006	794	34,328	$718,257,600	$92,850,400	$625,407,200	87.07	0.7580	$4,740,587	$959,476	$3,781,110
2007	848	33,544	$821,259,100	$99,509,900	$721,749,200	87.88	0.7870	$5,680,166	$59,276	$5,620,890
2008	851	33,756	$790,938,200	$99,513,100	$691,425,100	87.42	0.9700	$6,706,823	$829,413	$5,877,411
2009	820	32,958	$563,731,200	$67,188,000	$496,543,200	88.08	1.2120	$6,018,104	$198,228	$5,819,876
2010	819	33,020	$510,925,000	$63,639,200	$447,285,800	87.54	1.2360	$5,528,452	$241,399	$5,287,053
2011	815	32,563	$465,178,100	$61,467,800	$403,710,300	86.79	1.2040	$4,860,672	$463,815	$4,396,857
2012	850	32,827	$645,191,400	$68,186,600	$577,004,800	89.43	1.2090	$6,975,988	$100,000	$6,875,988

(1) Net Annual Deferral = Tax Reduction – Rollback Taxes
(2) 2012 rollback taxes are estimated. Previous years were updated.

Table 6: Average Assessed Value History of Residential Property

Year	Single Family and Duplexes	Townhouses	Condominiums	All Residential	Percent Change	Total Number of Units*
2003	$263,961	$161,247	$110,323	$225,149	18.53%	90,788
2004	$309,307	$195,017	$133,597	$266,502	18.37%	95,469
2005	$381,548	$251,764	$182,287	$333,510	25.14%	100,462
2006	$487,255	$330,359	$257,384	$429,745	28.86%	106,014
2007	$468,079	$318,980	$260,084	$413,870	-3.69%	110,018
2008	$402,105	$270,937	$232,760	$354,333	-14.39%	112,887
2009	$290,216	$173,170	$162,247	$248,946	-29.74%	114,650
2010	$295,530	$172,225	$152,589	$251,241	0.92%	116,559
2011	$310,683	$188,989	$157,109	$265,841	5.81%	118,274
2012	$320,423	$195,910	$160,445	$274,283	3.18%	119,543

* The units included in this table are all residential properties in the Single Family Detached, Duplex, Townhouse and Condominium categories. Houses on commercially zoned or agricultural parcels and houses that were partially complete as of January 1, 2012 are not included. Tax exempt properties and parcels owned by homeowners associations are also not included. The difference between the unit counts in successive years does not always equal the number of new houses added since during reassessment some properties are reclassified to or from a non-residential type.

Note: 2011 Average Assessed Value for All Residential properties was updated.

Average Assessed Value—All Residential 2003-2012

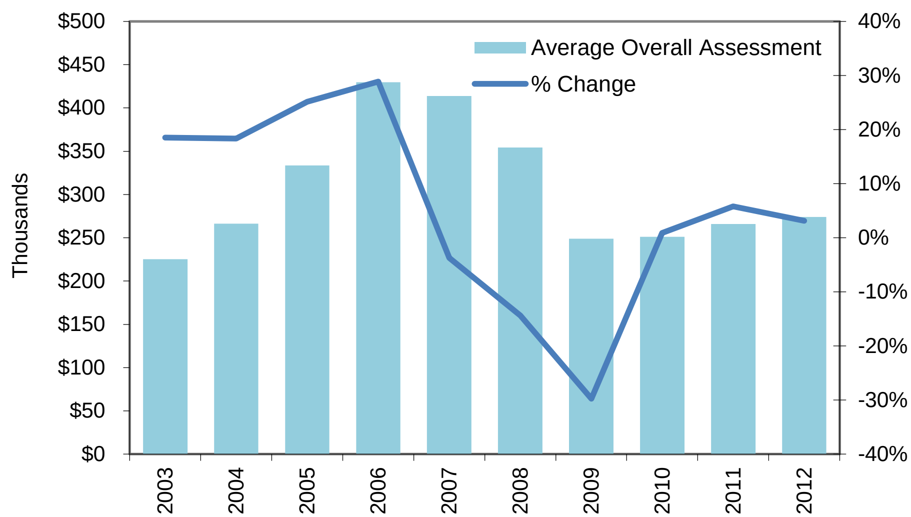

Table 7: Assessed Values and Estimated Market Values

Year	Residential Assessed Value	Residential Ratio (1)	Residential Estimated Market Value	Apartments Assessed Value	Apartments Ratio (1)	Apartments Estimated Market Value	Commercial Assessed Value	Commercial Ratio (1)	Commercial Estimated Market Value
2003	$22,066,665,100	82.24%	$26,831,794,535	$1,036,502,100	82.23%	$1,260,491,426	$3,279,610,800	82.23%	$3,988,338,563
2004	$27,573,301,100	76.54%	$36,024,729,144	$1,190,201,200	92.85%	$1,281,853,743	$3,868,983,500	71.59%	$5,404,363,040
2005	$36,143,674,500	74.99%	$48,199,834,829	$1,338,215,100	79.22%	$1,689,238,955	$4,721,937,700	63.98%	$7,380,334,011
2006	$48,617,154,300	94.22%	$51,600,905,212	$1,588,254,500	94.10%	$1,687,836,876	$5,667,015,500	69.51%	$8,152,806,071
2007	$48,185,629,400	100.22%	$48,079,647,334	$1,759,042,900	99.98%	$1,759,394,779	$6,592,385,200	81.45%	$8,093,781,707
2008	$41,980,642,100	106.62%	$39,373,219,230	$1,904,867,400	106.13%	$1,794,843,494	$7,595,527,900	92.61%	$8,201,628,226
2009	$29,888,134,400	85.60%	$34,917,009,484	$1,801,531,600	85.63%	$2,103,855,658	$6,726,623,300	86.38%	$7,787,246,238
2010	$30,434,819,300	81.30%	$37,433,226,024	$1,451,943,800	83.44%	$1,740,105,225	$5,722,157,600	84.27%	$6,790,266,524
2011	$32,477,281,000	90.50%	$35,885,607,139	$1,642,124,600	95.10%	$1,726,734,595	$5,899,244,100	83.86%	$7,034,634,033
2012	$33,752,576,200	92.33%	$36,556,551,686	$1,885,172,100	90.02%	$2,094,170,295	$6,210,118,200	90.25%	$6,881,017,396

(1) Ratios are from the Department of Taxation Sales Ratio Study. Since the ratios for the two most current years (2011 and 2012) are not available, estimates from the Real Estate Assessments Office are reported.

Notes:

- Assessed values include landbook values plus all supplements.
- Supplements for calendar year 2012 are estimated.
- Table 7 continues on the following page.
- All ratios were updated. Where no ratio is calculated because of insufficient sales, the County average is used.

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

	Land					Public Service			Totals				
Year	Use Value Assessment (2)	Market Assessment	Ratio (1)	Estimated Use Value	Estimated Market Value	Public Service Equal	Ratio (1)	Estimated Market Value	Total Use Value Assessment (3)	Total Market Assessment	Ratio (2)	Total Estimated Use Value	Total Estimated Market Value
2003	$227,277,000	$584,102,700	82.23%	$276,391,828	$710,327,982	$945,931,059	82.23%	$1,150,347,877	$27,555,986,059	$27,912,811,759	82.24%	$33,507,364,228	$33,941,300,383
2004	$257,785,900	$640,776,800	54.48%	$473,175,294	$1,176,168,869	$1,249,775,269	76.50%	$1,633,693,162	$34,140,046,969	$34,523,037,869	75.84%	$44,817,814,382	$45,520,807,957
2005	$282,495,500	$794,170,400	62.95%	$448,761,716	$1,261,589,198	$1,253,505,608	74.95%	$1,672,455,781	$43,739,828,408	$44,251,503,308	73.50%	$59,390,625,291	$60,203,452,773
2006	$428,529,800	$1,053,937,000	94.10%	$455,398,300	$1,120,018,066	$1,355,893,862	94.10%	$1,440,907,399	$57,656,847,962	$58,282,255,162	91.06%	$63,337,853,856	$64,002,473,623
2007	$305,616,500	$1,027,365,700	49.92%	$612,212,540	$2,058,024,239	$1,448,737,404	99.98%	$1,449,027,209	$58,291,411,404	$59,013,160,604	96.05%	$59,994,063,569	$61,439,875,268
2008	$273,037,400	$964,462,500	106.13%	$257,266,937	$908,755,771	$1,471,669,059	106.13%	$1,386,666,408	$53,225,743,859	$53,917,168,959	104.36%	$51,013,624,295	$51,665,113,129
2009	$214,672,800	$711,216,000	85.63%	$250,698,120	$830,568,726	$1,360,943,405	85.63%	$1,589,330,147	$39,991,905,505	$40,488,448,705	85.73%	$46,648,139,647	$47,228,010,253
2010	$180,504,800	$627,790,600	81.45%	$221,614,242	$770,768,079	$1,466,645,332	81.45%	$1,800,669,530	$39,256,070,832	$39,703,356,632	81.80%	$47,985,881,546	$48,535,035,382
2011	$163,184,300	$566,894,600	90.45%	$180,413,820	$626,749,143	$1,472,610,282	90.45%	$1,628,093,181	$41,654,444,282	$42,058,154,582	89.67%	$46,455,482,767	$46,901,818,091
2012	$163,590,200	$740,595,000	92.26%	$177,314,329	$802,725,992	$1,487,336,385	92.26%	$1,612,114,009	$43,498,793,085	$44,075,797,885	91.93%	$47,321,167,716	$47,946,579,379

(1) Ratios are from the Department of Taxation Sales Ratio Study. Since the ratios for the two most current years (2011 and 2012) are not available, estimates from the Real Estate Assessments Office are reported.
(2) Certain agricultural and forestal land is granted special use value assessment.
(3) Figures do not include rollbacks.

Notes:

- Table 7 continues from previous page.
- Assessed values include landbook values plus all supplements.
- Supplements for calendar year 2012 are estimated.
- All ratios were updated. Where no ratio is calculated because of insufficient sales, the County average is used.

Table 8: History of the Real Estate Tax Base

	2003		2004		2005		2006		2007	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Residential	$22,067	80.08	$27,573	80.77	$36,144	82.63	$48,617	84.32	$48,186	82.66
Apartments	$1,037	3.76	$1,190	3.49	$1,338	3.06	$1,588	2.75	$1,759	3.02
Commercial/Ind.	$3,280	11.90	$3,869	11.33	$4,722	10.80	$5,667	9.83	$6,592	11.31
Agricultural	$227	0.82	$258	0.76	$282	0.65	$429	0.74	$306	0.52
Total Local	**$26,610**	**96.57**	**$32,890**	**96.34**	**$42,486**	**97.13**	**$56,301**	**97.65**	**$56,843**	**97.51**
Public Service	$946	3.43	$1,250	3.66	$1,254	2.87	$1,356	2.35	$1,449	2.49
Total	**$27,556**	**100.00**	**$34,140**	**100.00**	**$43,740**	**100.00**	**$57,657**	**100.00**	**$58,291**	**100.00**

	2008		2009		2010		2011		2012	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Residential	$41,981	78.87	$29,888	74.74	$30,435	77.53	$32,477	77.97	$33,753	77.59
Apartments	$1,905	3.58	$1,802	4.50	$1,452	3.70	$1,642	3.94	$1,885	4.33
Commercial/Ind.	$7,596	14.27	$6,727	16.82	$5,722	14.58	$5,899	14.16	$6,210	14.28
Agricultural	$273	0.51	$215	0.54	$181	0.46	$163	0.39	$164	0.38
Total Local	**$51,754**	**97.24**	**$38,631**	**96.60**	**$37,789**	**96.26**	**$40,182**	**96.46**	**$42,011**	**96.58**
Public Service	$1,472	2.76	$1,361	3.40	$1,467	3.74	$1,473	3.54	$1,487	3.42
Total	**$53,226**	**100.00**	**$39,992**	**100.00**	**$39,256**	**100.00**	**$41,654**	**100.00**	**$43,499**	**100.00**

Notes:

- All amounts are in millions.
- Supplements are estimated for 2012.
- 2012 Public Service assessments are estimated.
- Assessments include original landbook plus supplements.

Table 9: Public Service and Commercial/Industrial Assessments As a Percentage of the Tax Base

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Service	3.43%	3.66%	2.87%	2.35%	2.49%	2.76%	3.40%	3.74%	3.54%	3.42%
Commercial/Ind.	11.90%	11.33%	10.80%	9.83%	11.31%	14.27%	16.82%	14.58%	14.16%	14.28%
Apartments	3.76%	3.49%	3.06%	2.75%	3.02%	3.58%	4.50%	3.70%	3.94%	4.33%
Total	19.10%	18.48%	16.72%	14.94%	16.81%	20.61%	24.73%	22.01%	21.64%	22.03%

Notes:

- Supplements are included.
- Supplements for 2012 are estimated.
- 2012 Public Service assessments are estimated.

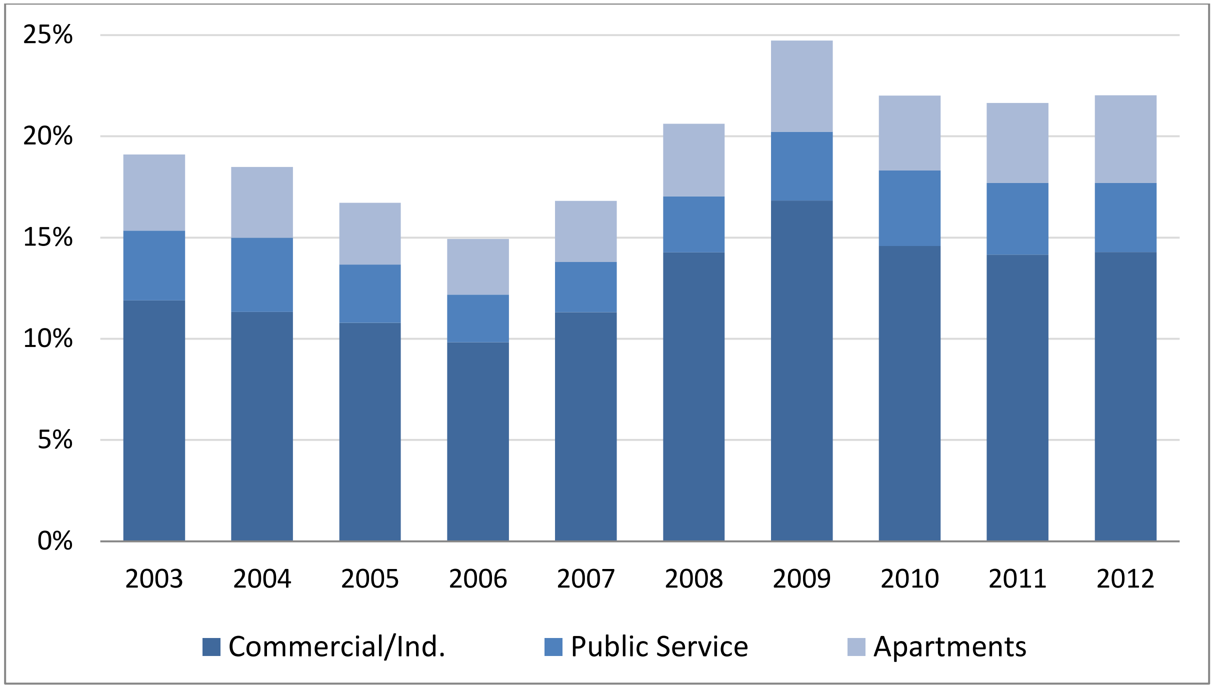

Table 10: Assessment Performance Statistics

Level of Assessments

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011(1)	2012(1)	Standard(2)
Residential Urban	82.55%	81.81%	82.22%	76.47%	74.96%	94.36%	100.33%	107.18%	85.52%	80.69%	90.33%	92.31%	100.00%
Residential Suburban	80.98%	81.81%	82.44%	77.17%	75.25%	92.92%	99.44%	103.65%	86.07%	84.53%	91.80%	92.49%	100.00%
Weighted Average (Residential)	82.38%	81.81%	82.22%	76.54%	74.99%	94.22%	100.22%	106.62%	85.60%	81.30%	90.50%	92.33%	100.00%
Apartment	82.31%	81.77%	82.23%	92.85%	79.22%	94.10%	99.98%	106.13%	85.63%	83.44%	95.10%	90.02%	100.00%
Commercial/Industrial	75.35%	74.21%	82.23%	71.59%	63.98%	69.51%	81.45%	92.61%	86.38%	84.27%	83.86%	90.25%	100.00%
Agricultural	*	*	*	*	*	*	*	*	*	*	90.45%	92.26%	100.00%
Overall Median	82.31%	81.77%	82.23%	76.50%	74.95%	94.10%	99.98%	106.13%	85.63%	81.45%	90.45%	92.26%	100.00%

Equity of Assessments

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011(1)	2012(1)	Standard(2)
Residential Urban	7.34%	8.52%	7.77%	9.39%	8.56%	7.43%	8.03%	12.73%	11.48%	12.57%	8.82%	8.03%	10.00%
Residential Suburban	12.55%	13.63%	10.80%	11.97%	12.78%	10.49%	12.16%	12.43%	11.24%	11.40%	10.29%	9.72%	10.00%
Weighted Average (Residential)	7.91%	9.04%	8.06%	9.65%	8.95%	7.73%	8.54%	12.68%	11.45%	12.38%	8.99%	8.22%	10.00%
Apartment	**	**	**	23.19%	14.98%	**	**	**	**	26.09%	7.62%	7.78%	15.00%
Commercial/Industrial	26.62%	28.61%	**	22.65%	28.43%	27.18%	21.49%	14.13%	35.19%	32.34%	31.63%	22.75%	15.00%
Agricultural	**	**	**	22.45%	36.82%	**	65.32%	**	**	**	9.17%	8.47%	20.00%
Overall Equity	8.25%	9.31%	8.09%	9.86%	9.17%	8.16%	9.08%	13.02%	12.00%	12.75%	9.17%	8.47%	10.00%

* Insufficient sales.
** Equity of Assessments data are unavailable.
(1) Estimated by the Assessments Office.
(2) Standards are provided by the International Association of Assessing Officers.

Notes:

- "Equity of Assessments" is the average percentage sales deviate from the median ratio.
- "Assessment Level" refers to the median ratio of assessment to selling price as reported by the Virginia Department of Taxation.

Table 11A: Growth and Appreciation

2010 to 2011

	2010 Landbook Value	-------Appreciation------- Amount	%	----------Growth---------- Amount	%	2011 Landbook Value	Total Change
Residential	30,261,711,600	$1,585,868,100	5.24	$503,496,800	1.66	32,351,076,500	6.90
Apartments	1,442,681,300	$138,631,300	9.61	$57,574,300	3.99	1,638,886,900	13.60
Total Residential	**31,704,392,900**	**$1,724,499,400**	**5.44**	**$561,071,100**	**1.77**	**33,989,963,400**	**7.21**
Commercial and Industrial	5,706,139,900	$19,255,600	0.34	$144,203,200	2.53	5,869,598,700	2.86
Public Service*	1,466,645,332	-$8,701,503	-0.59	$14,666,453	1.00	1,472,610,282	0.41
Total Commercial and Industrial	**7,172,785,232**	**$10,554,097**	**0.15**	**$158,869,653**	**2.21**	**7,342,208,982**	**2.36**
Undeveloped Land	**178,465,600**	**-$3,000,000**	**-1.68**	**-$15,009,300**	**-8.41**	**160,456,300**	**-10.09**
Total Assessed - Local	**37,588,998,400**	**$1,740,755,000**	**4.63**	**$690,265,000**	**1.84**	**40,020,018,400**	**6.47**
Total Assessed - Non-Local	**1,466,645,332**	**-$8,701,503**	**-0.59**	**$14,666,453**	**1.00**	**1,472,610,282**	**0.41**
Total Real Estate	**39,055,643,732**	**$1,732,053,497**	**4.43**	**$704,931,453**	**1.80**	**41,492,628,682**	**6.24**
Total Supplements**	200,427,100					161,815,600	
Total Tax Base	39,256,070,832	$1,723,351,994	4.39	$719,597,906	1.83	41,654,444,282	6.11
Rollbacks**	19,530,668					38,522,875	
Tax Exempt	3,119,173,300					3,183,168,800	2.05
Deferred Use Value	447,285,800					403,710,300	-9.74
Total Assessed Value	**42,842,060,600**					**45,279,846,257**	**5.69**

2011 to 2012

	2011 Landbook Value	-------Appreciation------- Amount	%	----------Growth---------- Amount	%	2012 Landbook Value	Total Change
Residential	32,351,076,500	$894,364,700	2.76	$401,283,100	1.24	33,646,724,300	4.00
Apartments	1,638,886,900	$220,651,700	13.46	$22,395,800	1.37	1,881,934,400	14.83
Total Residential	**33,989,963,400**	**$1,115,016,400**	**3.28**	**$423,678,900**	**1.25**	**35,528,658,700**	**4.53**
Commercial and Industrial	5,869,598,700	$220,927,600	3.76	$97,162,300	1.66	6,187,688,600	5.42
Public Service*	1,472,610,282	$0	0.00	$14,726,103	1.00	1,487,336,385	1.00
Total Commercial and Industrial	**7,342,208,982**	**$220,927,600**	**3.01**	**$111,888,403**	**1.52**	**7,675,024,985**	**4.53**
Undeveloped Land	**160,456,300**	**$15,506,600**	**9.66**	**-$15,009,300**	**-9.35**	**160,953,600**	**0.31**
Total Assessed - Local	**40,020,018,400**	**$1,351,450,600**	**3.38**	**$505,831,900**	**1.26**	**41,877,300,900**	**4.64**
Total Assessed - Non-Local	**1,472,610,282**	**$0**	**0.00**	**$14,726,103**	**1.00**	**1,487,336,385**	**1.00**
Total Real Estate	**41,492,628,682**	**$1,351,450,600**	**3.26**	**$520,558,003**	**1.25**	**43,364,637,285**	**4.51**
Total Supplements**	161,815,600					134,155,800	
Total Tax Base	41,654,444,282	$1,351,450,600	3.24	$535,284,106	1.29	43,498,793,085	4.43
Rollbacks**	38,522,875					8,271,299	
Tax Exempt	3,183,168,800					3,316,592,500	4.19
Deferred Use Value	403,710,300					577,004,800	42.93
Total Assessed Value	**45,279,846,257**					**47,400,661,684**	**4.68**

* All changes in Public Service are attributed to growth. 2012 Public Service assessed value is estimated.
** Supplements and Rollbacks are estimated for 2012.

Note: Full decimal precision is not shown.

Table 11B: History of Growth Rates

Landbook	Residential	Apartments	Commercial	Public Service*	Land	Overall
2003	8.25%	3.19%	1.65%	1.00%	-25.97%	6.69%
2004	6.55%	3.27%	5.92%	32.12%	-6.34%	6.23%
2005	8.22%	5.20%	5.86%	0.30%	-22.42%	7.59%
2006	7.79%	7.72%	3.44%	1.00%	-26.75%	7.07%
2007	3.57%	2.17%	5.30%	1.00%	-24.82%	1.43%
2008	2.00%	-0.27%	10.83%	1.00%	3.67%	2.92%
2009	0.95%	0.00%	3.95%	1.00%	-1.75%	1.33%
2010	1.72%	1.03%	2.91%	1.00%	-16.46%	1.77%
2011	1.66%	3.99%	2.53%	1.00%	-8.41%	1.80%
2012	1.24%	1.37%	1.66%	1.00%	-9.35%	1.25%

* 2004 Public Service figure reflects construction of Northern Virginia Electric Cooperative facility at Possum Point.

Table 11C: History of Appreciation Rates

Landbook	Residential	Apartments	Commercial	Public Service	Land	Overall
2003	17.44%	12.27%	2.92%	3.96%	16.58%	15.11%
2004	18.30%	11.07%	11.68%	0.00%	20.46%	17.21%
2005	22.98%	6.89%	15.74%	0.00%	29.05%	21.58%
2006	27.20%	11.88%	17.27%	7.17%	82.44%	25.97%
2007	-3.83%	8.79%	10.93%	5.85%	-3.99%	-1.80%
2008	-14.65%	8.91%	4.26%	0.58%	-14.59%	-11.42%
2009	-29.79%	-5.46%	-15.21%	-8.52%	-19.24%	-26.20%
2010	0.00%	-20.91%	-17.45%	6.77%	-0.32%	-3.64%
2011	5.24%	9.61%	0.34%	-0.59%	-1.68%	4.43%
2012	2.76%	13.46%	3.76%	0.00%	9.66%	3.26%

Notes:
- These tables include Public Service properties in addition to the landbook categories.
- Public service figures for prior years were updated. Public Service for 2012 is estimated.
- 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.
- Full decimal precision is not shown.

Table 12: Top Fifty Real Estate Taxpayers – FY2012

Rank	Owner Name	2011 Assessment	% of Tax Base	Rank	Owner Name	2011 Assessment	% of Tax Base
1	VA ELECTRIC & POWER COMPANY	$709,629,395	1.710%	26	WOODBRIDGE FORD PARTNERS II LLC	$48,715,900	0.117%
2	MALL AT POTOMAC MILLS LLC	$425,592,600	1.026%	27	IBV-IMMOBILIENFONDS INT'L 2 USA LP	$48,164,600	0.116%
3	NORTHERN VIRGINIA ELECTRIC CO-OP	$266,130,393	0.641%	28	PORPOISE VENTURES LLC	$47,224,500	0.114%
4	VERIZON SOUTH INC.	$159,457,992	0.384%	29	TARGET CORPORATION	$45,038,500	0.109%
5	WASHINGTON GAS LIGHT COMPANY	$100,512,949	0.242%	30	FEDERAL NATIONAL MORTGAGE ASSOCIATION	$44,867,100	0.108%
6	E&A ACQUISITION LTD PTSHP	$92,338,000	0.223%	31	POWERLOFT @ INNOVATION I LLC	$44,801,600	0.108%
7	PRINCE WILLIAM SQUARE INVESTORS LLC	$86,227,300	0.208%	32	UNIVERSITY VILLAGE LLC	$44,071,000	0.106%
8	KIR SMOKETOWN STATION LP	$85,043,900	0.205%	33	LCOR RAVENS CREST LLC	$43,915,400	0.106%
9	STELLAR CHATSWORTH LLC	$80,879,600	0.195%	34	BAYVUE APARTMENTS JOINT VENTURE	$43,892,000	0.106%
10	TR ROLLING BROOK CORP	$78,983,800	0.190%	35	WINDSOR POTOMAC VISTA LTD PTSHP	$41,512,100	0.100%
11	MANASSAS OWNER LLC	$77,959,200	0.188%	36	GATEWAY CENTER IV LC	$41,489,500	0.100%
12	DOMINION COUNTRY CLUB LP	$64,193,900	0.155%	37	VIRGINIA GATEWAY RETAIL LC	$40,086,100	0.097%
13	DIAMOND POTOMAC TOWN CENTER LLC	$60,118,600	0.145%	38	DOMINION VALLEY MARKET SQUARE LLC	$39,962,400	0.096%
14	WNH LIMITED PARTNERSHIP	$58,565,300	0.141%	39	PRINCETON COMMONS APARTMENTS LTD PTSHP	$39,882,300	0.096%
15	BULL RUN PLAZA LLC	$58,074,600	0.140%	40	SUMMERLAND HEIGHTS LP	$39,308,300	0.095%
16	GAINESVILLE ASSOCIATES LLC	$56,393,900	0.136%	41	MAGAZINE CARLYLE STATION LP	$38,124,600	0.092%
17	DALE FOREST INVESTMENTS LLC	$53,793,700	0.130%	42	POTOMAC FESTIVAL LTD PTNSHP	$37,345,300	0.090%
18	BLJV LLC	$53,760,200	0.130%	43	FAIRFIELD CATONS RIDGE LIMITED PTSHP	$36,903,600	0.089%
19	WESTGATE APARTMENTS LMTD PTSHP	$53,537,200	0.129%	44	OLD BRIDGE RETAIL INVESTMENTS LLC	$35,532,500	0.086%
20	UNITED DOMINION REALTY TRUST INC	$52,456,600	0.126%	45	MIDWEST HERITAGE INN OF KANSAS	$34,980,100	0.084%
21	WESTMINSTER PRESBYTERIAN RETIREMENT	$52,130,500	0.126%	46	JJJ AMPHITHEATER LIMITED PTSHP	$34,750,400	0.084%
22	DCO CAROLINE DEVELOPMENT LLC	$50,909,400	0.123%	47	E&A ACQUISITION LTD PTSHP	$34,295,800	0.083%
23	AOL INC	$50,475,800	0.122%	48	KMF WOODBRIDGE LLC	$34,086,500	0.082%
24	AERC RIVERSIDE STATION LLC	$50,168,200	0.121%	49	TANGLEWOOD APARTMENTS LLC	$33,592,300	0.081%
25	ROSEMARY RIDGE LLC	$50,036,900	0.121%	50	D R HORTON INC	$33,133,600	0.080%

Top 50 as a % of Total Landbook: 9.48%
Total January 1, 2011 Landbook Plus Public Service Assessments: $41,492,628,682

Table 13: Tax Rates

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Base Tax Rate	**1.1600**	**1.0700**	**0.9100**	**0.7580**	**0.7870**	**0.9700**	**1.2120**	**1.2360**	**1.2040**	**1.2090**
Fire & Rescue	0.0728	0.0660	0.0560	0.0466	0.0484	0.0597	0.0746	0.0761	0.0741	0.0744
Foremost Court Service	0.2300	0.2200	*	*	*	*	*	*	*	*
Lake Jackson Service	0.1100	0.1100	0.1100	0.1100	0.1100	0.1230	0.1720	0.1750	0.1750	0.1750
Bull Run Service	0.1000	0.1000	0.1000	0.1000	0.1200	0.1380	0.1990	0.2010	0.2010	0.2010
Circuit Court Service	0.2800	0.2800	0.2300	0.1900	0.1900	0.1500	*	*	*	*
Prince William Parkway	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
234 Bypass District	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Gypsy Moth Control	0.0040	0.0040	0.0025	0.0025	0.0025	0.0025	0.0025	0.0025	0.0025	0.0025

* Not levied in that year.

Note: Tax rates per $100 assessed value.

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Addenda

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Addendum A: Sample Notice of Reassessment

Finance Department
Real Estate Assessments Office

Commonwealth of Virginia

Prince William County

4379 Ridgewood Center Drive, Suite 203
Prince William, Virginia 22192
(703) 792-6780 Fax (703) 792-6775

Hours:
8:00 A.M. to 5:00 P.M.
Monday through Friday

Notice of Reassessment

THIS IS NOT A TAX BILL

February 29, 2012

,

Notice:
Information concerning your assessment, appeal procedures, and tax relief programs is printed on the back of this form.

Tax Year	2012
RPC/ Account No.	
Property Address	
Parcel ID	
Acres	
Legal Description	

Assessed Value	January 1, 2012	January 1, 2011
Market Value	Land Building Total	Land Building Total
Use Value	Land Building Total	Land Building Total

REAL PROPERTY ASSESSMENT INFORMATION

Assessment information for all properties located in Prince William County is available on the Internet at www.pwcgov.org/realestate

PUBLIC HEARING

A public hearing to accept public comments on the proposed Fiscal Plan for Fiscal Year 2013, 2012 Tax Rates, and the Fiscal Year 2013-2018 Capital Improvement Program, will be held by the Prince William Board of County Supervisors on March 29, 2012, at 7:30 p.m. in the Board Chambers at the McCoart Building located at 1 County Complex Court, Prince William, VA 22192.

All interested parties are encouraged to attend and submit testimony. Pre-registration to speak at the public hearing starts at 6:30 p.m. Additional information regarding this public hearing is available from the Clerk to the Board of County Supervisors at 703-792-6600.

Addendum A: Sample Notice of Reassessment (cont.)

GENERAL INFORMATION

The Constitution of Virginia requires that the Real Estate Assessments Office determine the fair market value for all properties each year as of January 1. Assessments are made according to accepted methods, techniques, and standards of the real estate appraisal and assessment professions.

For most residential properties, fair market value is best determined using comparable sales data. Properties that have recently sold are analyzed and adjustments are made for differences such as size, condition, age, location, and interior and exterior amenities. Fair market value of commercial and industrial properties is determined by sales comparison or the income approach, whereby the property's income stream is capitalized into an estimate of value. Other approaches, such as replacement cost less depreciation, are also used in the assessment process of residential, commercial and industrial properties.

The real estate tax is the County's largest single revenue source and for many property owners it is the largest tax paid to the County. Consequently, it is important to both the County and the taxpayer that real estate assessments are administered fairly and equitably. Your 2012 assessed value should reflect fair market value as of January 1, 2012. If you have questions about your assessment, you may call, write, or visit the Real Estate Assessments Office to discuss the assessment with a real estate appraiser.

ASSESSMENT APPEALS

If you are not satisfied with your 2012 assessment, you should contact the Real Estate Assessments Office at 703-792-6780 to speak to an appraiser. If the appraiser is not able to satisfy your concerns, you may request a Real Estate Assessments departmental appeal of your assessment. The deadline for filing a departmental appeal is June 1, 2012. You may also appeal the assessment to the Board of Equalization (BOE), an eight-member citizen group appointed by the Board of County Supervisors. The deadline for filing an appeal to the Board of Equalization is July 1, 2012. Please call 703-792-6777 for a BOE application. You may also appeal to the Circuit Court of Prince William County within three years of the assessment. For more information, contact the Clerk of Circuit Court at 703-792-6029.

TAX RELIEF PROGRAM FOR ELDERLY AND DISABLED

If you will be 65 years of age or older by December 31, 2012, or totally and permanently disabled, and meet certain criteria, you may be eligible for relief from all or part of your 2012 real estate taxes, the solid waste fee, and the personal property tax and decal fee on one vehicle.

TAX RELIEF PROGRAM FOR DISABLED VETERANS

If you are a disabled veteran and meet certain criteria, you may be eligible for relief from your 2012 real estate taxes on a home and up to one acre of land it occupies and the solid waste fee.

TAX SAVINGS FOR REHABILITATING YOUR HOME OR BUSINESS

To encourage renovation and revitalization of aging structures, the County has enacted a tax exemption program that provides a reduction of the tax due on real estate that is substantially repaired, rehabilitated or replaced. To participate, you must apply for the exemption BEFORE you begin construction.

For more information or to request an application for any of the above programs, please contact the assessments office at 703-792-6780.

Addendum B: Tax Savings for Rehabilitated Properties

Incentive to Rehabilitate

5 Steps to Exemption

1. **Building Permits** Apply for the necessary building permits at the same time you submit your application for tax exemption. Contact the Building Development Division at (703) 792-6930 for more information. The Building Development office is located in the Development Services Building at 5 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 Real Estate Assessments Office **before any work is started.**
3. **Determine Base Value** Upon application approval, the Real Estate Assessments Office 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 Real Estate Assessments Office. 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.

Applications must be submitted before rehabilitation work begins.

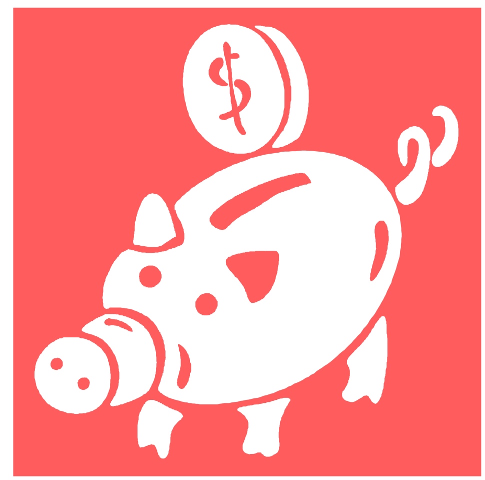
Prince William County, Virginia

Finance Department
Real Estate Assessments Office
4379 Ridgewood Center Dr., Suite 203
Prince William, Virginia 22192
(703) 792-6780
Fax (703) 792-6775

Are you making improvements to your home?

Save

on your Real Estate Taxes



Prince William County, Virginia
Finance Department
Real Estate Assessments Office

Rev: 08-29-11

Tax Exemption for Rehabilitated Real Estate Program

What is the program?

Prince William County's Board of County Supervisors has approved an ordinance enacting a 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 the 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 and is transferable to a new property owner. 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:

Year	Exemption
11	80%
12	60%
13	40%
14	20%
15	0%

The total exemption is limited to $750,000 during the program period. There shall only be one application approved for any single property at any one time.

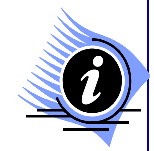
What are the requirements?

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 a $50 non-refundable application fee at the same time you apply for the necessary building permits and **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 before December 31, 2012.
- 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 Real Estate Assessments Office 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.

How do I learn more?

For more information, or to make an appointment to discuss the program, or to receive a program application, contact the Real Estate Assessments Office at (703) 792-6780. Offices are located at 4379 Ridgewood Center Drive, Suite 203, Prince William, VA 22192.

Applications are available via fax at (703) 792-4636, message number 359, or via the Internet at http://www.pwcgov.org/finance/pdf/txexmpt.pdf.

Addendum C: Tax Relief Programs for Elderly and Disabled Persons

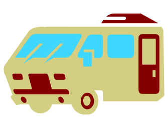
Real Estate Tax

Total exemption of the tax on a home and up to one acre of land it occupies may be granted to applicants whose total income does not exceed $54,100 annually. All of the real estate taxes are forgiven.

Partial exemption of the tax and up to one acre of land it occupies may be granted to applicants whose total income is greater than $54,100, but does not exceed $78,445. A portion of the real estate taxes are forgiven. The amount exempted is as follows:

Total Income	Percent of Tax Exempted	Percent You Pay
$0 to $54,100	**100%**	**0%**
$54,101 to $62,215	**75%**	**25%**
$62,216 to $70,330	**50%**	**50%**
$70,331 to $78,445	**25%**	**75%**

Those applicants who meet the net worth criteria and whose total income does not exceed $78,445, may qualify for exemption of the solid waste fee.



Mobile Homes

For the purposes of this program, mobile homes are eligible for tax relief as real estate, and the same qualifications apply.

Personal Property Tax and Annual License Fee

Those applicants who meet the net worth criteria and whose total income does not exceed $78,445, may qualify for relief on their personal property tax and annual license fee on one auto per qualifying applicant. Applicants need not own real estate to be eligible.

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

Tax Relief <u>First Time</u> Applicants

If you have not previously qualified for the Program, the following documentation must be brought **IN PERSON**, by you, to the Real Estate Assessments Office, Monday through Friday between 9 am and 4 pm (the documents will be returned to you):

Government-issued identification that includes your photograph and address (driver's license qualifies.)

AND

One of the following documents that establish legal presence: Original or certified copy of your birth certificate issued by a U.S. state, jurisdiction or territory (photocopies are not acceptable), U.S. Passport, Certificate of Citizenship or Naturalization, original Certificate of Birth Abroad (FS-545), Permanent Resident Card (I-551), or an unexpired foreign passport with a visa and a valid I-94.

If you do not have any of the above documents, please contact our office so we may advise you of other acceptable documents to establish proof of legal presence.

2012 Citizen's Guide To Tax Relief Programs for Elderly and Disabled Persons

Prince William County, Virginia
Real Estate Assessments Office
4379 Ridgewood Center Drive, #203
Prince William, Virginia 22192-5308

Telephone: 703-792-6780
9:00 a.m. to 4:00 p.m.
Text Telephone (TTY) 792-6293

Rev: 11-22-11

Tax Relief Program for Tax Year 2012

Senior Citizens and disabled persons who meet certain criteria may be granted relief from all or part of real estate taxes, the solid waste fee, annual license fee and personal property tax. Qualifying limits may change from year to year. This brochure is current for the tax year beginning January 1, 2012 only.

Tax Relief is granted on an annual basis and a renewal application must be filed each year. Applications should be filed by April 16, 2012.

Application

Application forms for these programs are available beginning January 3rd at the Real Estate Assessments Office or by mail. You may request an application form by calling 703-792-6780 during regular business hours. Current tax relief recipients will receive a renewal application form in the mail.

NOTE: All information pertaining to total income and net worth is confidential and not open for public inspection. The initial application form must be signed in the presence of a notary. This service is available free of charge to applicants at the Real Estate Assessments Office.

Eligibility Criteria, Senior Citizens

To qualify, an applicant must:

⇒ be 65 years of age or older as of December 31, 2012. Relief will be prorated for those applicants that turn 65 during calendar year 2012.

⇒ have a total income from all sources of not more than $78,445. In determining income, the first $10,000 of income earned by any relative living in the household other than the owner(s) or spouse is excluded.

⇒ have a combined financial net worth for the applicant and spouse of not more than $340,000, excluding the residence for which the exemption is sought and up to twenty-five acres of land which it occupies.

⇒ own and occupy the home as his/her sole dwelling.

Note: In calculating net worth, mortgages or home equity loans will not be deducted on the house for which the exemption is applied.

Additional Eligibility Criteria

For additional eligibility criteria please contact the Real Estate Assessments office at 703-792-6780.

Eligibility Criteria, Disabled Persons

To qualify, an applicant must:

⇒ 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 total 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 from the calculation of total income.

Permanently and totally disabled *means unable to engage in any substantial gainful activity, by reason of any medically determinable physical or medical impairment or deformity, which can be expected to result in death or can be expected to last for the duration of the person's life.*

Additional Eligibility Criteria

For additional eligibility criteria please contact the Real Estate Assessments office at 703-792-6780.

Addendum D: Tax Relief Programs for Disabled Veterans

2012 Citizen's Guide to the Tax Relief Program for

Disabled Veterans

Prince William County, Virginia
Real Estate Assessments Office
4379 Ridgewood Center Drive, #203
Prince William, Virginia 22192-5308

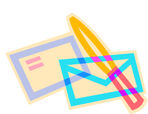
Telephone: 703-792-6780
9:00 a.m. to 4:00 p.m.
Text Telephone (TTY) 792-6293

Rev: 05-29-12

Tax Relief Program for Disabled Veterans for Tax Year 2012

Disabled veterans who meet certain criteria may be granted relief from real estate taxes on a home and up to one acre of land it occupies and the solid waste fee. Relief will be prorated for those applicants who become disabled or purchase a home after January 1, 2012.

Disabled veterans who meet certain income and asset requirements may be granted relief from personal property taxes and the vehicle license fee.



Application

Application forms for this program are available at the Real Estate Assessments Office or by mail.

You may request an application form by calling 703-792-6780 during regular business hours.

REAL ESTATE

****THERE IS NO INCOME OR NET WORTH CRITERIA FOR DISABLED VETERANS REAL ESTATE TAX RELIEF****

To qualify, an applicant must:

⇒ provide one document from the U.S. Department of Veterans Affairs indicating that the veteran was determined to be 100%, service-connected, permanently and totally disabled.

⇒ Own and occupy the home as his/her principal place of residence.

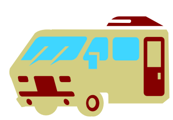
The surviving spouse of a veteran eligible for the real estate exemption may qualify for the real estate exemption if:

⇒ The death of the veteran occurred on or after January 1, 2011.

⇒ The surviving spouse does not remarry.

⇒ The surviving spouse continues to occupy the real property as his/her principal place of residence.

Mobile Homes



Mobile homes are eligible for tax relief as real estate, and the same criteria apply.

PERSONAL PROPERTY

Income and Net Worth Criteria for Personal Property Tax Relief under the Tax Relief for the Elderly and Disabled Program:

To qualify, an applicant must have:

⇒ total household income from all sources of not more than $78,445. In determining income, the first $10,000 of income earned by any relative living in the household other than the owner(s) or spouse is excluded.

⇒ combined financial net worth for the applicant and spouse of not more than $340,000, excluding their principal place of residence and up to twenty-five acres of land which it occupies.

Personal Property Tax Relief is granted on an annual basis and a renewal application must be filed each year. Current personal property tax relief recipients will receive a renewal application form in the mail. Applications should be filed by April 16, 2012.

Notes:

In calculating net worth, mortgages or home equity loans will not be deducted on the house for which the exemption is sought.

All information pertaining to total income and net worth is confidential and not open for public inspection.