



## NEWS RELEASE

### **Herndon Town Council Adopts FY 2024 Budget: Tax Rate Reduced to \$0.260 per \$100 of Assessed Real Estate Property Value**

Herndon, VA (May 10, 2023) – At its public meeting on Tuesday, May 9, the Herndon Town Council adopted a Fiscal Year (FY) 2024 Budget of \$62,243,805, an 8.6 percent increase from the adopted FY 2023 Budget. The town’s FY 2024 begins July 1, 2023, and extends to June 30, 2024.

In recognition of economic pressures felt by many town residents, the council voted to reduce the town’s tax rate for the first time in more than a decade, from its current \$0.2650 per \$100 of assessed real estate property value to \$0.260 per \$100 of assessed value. Other taxes and fees remain unchanged in the new budget, with the exception of increases in water and sewer rates, attributed to higher treatment and commodity costs.

The council’s adopted budget also authorizes a significant market rate adjustment for sworn officers of the Herndon Police Department, giving the town parity among nearby jurisdictions, all of which are competing for qualified law enforcement candidates. Additionally, the adopted budget includes market rate adjustments for non-sworn town personnel; funding for established town services and programs; funding for preparatory work on the town’s Comprehensive Plan; and funding for strategic initiatives elevated as priorities by the Town Council.

“This council’s vote to lower the tax rate is acknowledgement of the higher cost of living many of our citizens are experiencing,” said Mayor Sheila Olem. “Real estate assessments are up. The cost of groceries, utilities, gas – all are up. Our aim in adopting this tax rate decrease is to offer some relief to our citizens in these economic times.”

The adopted FY 2024 Budget will be available July 1, 2023, on town’s website, at [Herndon-va.gov/Budget](https://www.herndonva.gov/Budget). A comprehensive accounting of the proposed budget will be presented, including narratives, charts and graphs that are easily navigated and accessible to all. An interactive feature allows taxpayers to enter their personalized tax amounts and see how their taxes are allocated.

###

### **Adopted FY 2024 Budget At-a-Glance**

#### **Total Budget Expenditures**

\$62,243,805 for all funds (General Fund, Water and Sewer Fund, Golf Course Fund, Chestnut Grove Cemetery Fund and the Capital Projects & ARPA Fund). The total reflects an increase of 8.6 percent from the FY 2023 adopted budget of \$57,331,154.

#### **General Fund Total Expenditures**

FY 2024 General Fund expenditures are \$40,773,611, an increase of \$3,576,790, or 9.6 percent, over the FY 2023 General Fund adopted budget expenditures of \$37,196,821. This includes personnel, operations and maintenance, debt service and minor capital.

**Real Estate Tax Rate**

\$0.260 per \$100 of assessed value.

**One Penny on the Real Estate Tax Rate**

Equivalent to approximately \$524,852 in tax revenues (includes assessed value of public service corporations and real property assessments).

**Average Residential Property Value**

Projected at \$507,300. Average residential real estate tax bill \$1,318.98 based on \$0.260 per \$100 assessed value.

**Personal Property Tax Rate**

Remains at \$0.00 per \$100 assessed value.

**Meals Tax**

Remains at 3.75 percent.

**Cigarette Tax**

Remains at 75 cents per pack.

**Business Professional and Occupational License Tax**

All classifications and thresholds remain at the current amounts.

**Motor Vehicle License Fee**

Remains at \$25 for private passenger and other vehicles weighing less than 4,000 lbs., and \$32 for vehicles weighing in excess of 4,000 lbs.

**Consumer Utility Tax**

Tax based on the purchase of utility services within the corporate limits of the town. The amount of the tax for residential consumers contains a monthly cap of \$3 per utility.

**Sewer Service Rate**

Increased from \$7.16 in FY 2023 to \$8.27 per 1,000 gallons of water consumption in FY 2024. The quarterly service charge per bill rendered shall be \$10.21.

**Sewer Availability Fee**

Remains at \$10,800 for new, single-family homes.

**Sewer Lateral Repair and Replacement Program**

Remains at \$2 per year (\$0.50 per quarter).

**Water Service Rate**

Increased from \$3.31 in FY 2023 to \$3.47 per 1,000 gallons of water consumption in FY 2024.

The quarterly service charge per bill rendered shall be \$12.57. All water consumed during the peak use periods in excess of the average consumption of the preceding two winter quarter billing periods shall be charged an additional amount of \$5.91 per 1,000 gallons.

**Water Availability Fee**

Remains at \$7,800 in FY 2024 for new, single-family homes.

**Recycling Fee**

Remains in FY 2024 at \$64 per year (\$16 per quarter).

**Personnel**

Personnel costs for all funds total \$31,566,080 an increase of \$1,268,722 or 4.2% when compared to FY 2023 adopted budget.