

Local Government

Local Structure and Organization

Virginia counties are unincorporated administrative subdivisions of the Commonwealth created by law and governed by an elected board of supervisors. Floyd, Giles, and Pulaski Counties each have a five-member board of supervisors; Montgomery County has a seven-member board. Supervisors are elected from each magisterial district within each county and serve terms of four years. A county administrator oversees the general administration of the county.

Virginia cities are primarily political subdivisions, governmentally independent of the county or counties surrounding them. Radford is an independent city with a council-manager form of government. Incorporated Towns include Blacksburg, Christiansburg, Dublin, Floyd, Glen Lyn, Narrows, Pearisburg, Pembroke, Pulaski, and Rich Creek, and also have council-manager forms of government.

Community Services

All of the counties and the City of Radford provide educational, health, welfare, and recreational services, as well as law enforcement, fire and rescue protection for their residents. Local governments or public service authorities also supply water, sewer and sanitation services.

Community Planning

All jurisdictions maintain active planning commissions and have adopted comprehensive plans. Zoning regulations are established in Giles County, Montgomery County, Pulaski County, and the City of Radford, as well as in the incorporated towns in those areas.

Local Government Finance

Bonded debt for local governments for the year ended June 30, 2010, and June 30, 2012 are presented in Table 43.

Table 43
Bonded Debt by Jurisdiction

JURISDICTION	2010	2012
Floyd County	\$15,823,896	\$13,810,145
Giles County	\$34,477,307	\$38,270,105
Montgomery County	\$163,545,959	\$256,024,282
Pulaski County	\$49,663,221	\$38,471,837
City of Radford	\$22,922,201	\$27,077,484

Source: Comparative Report of Local Government Revenues and Expenditures, Year Ended 2010 and 2012:
Commonwealth of Virginia, Auditor of Public Accounts, 2013.

Special Programs

The City of Radford and the Town of Pulaski have been designated members of the Virginia Main Street Program. Portions of Pulaski County and the Town of Narrows in Giles County have been designated as Virginia Enterprise Zones. Regional and local planning assistance is provided by the New River Valley Planning District Commission, whose offices are located in the Fairlawn area of Pulaski County.

Local Revenues

A summary of revenues and expenditures of New River Valley jurisdictions for the fiscal year ending June 30, 2010 and June 30, 2012 are found in Tables 44 and 45 and Figures 24 and 25.

Table 44
NRV Revenues and Expenditures by Jurisdiction
Year Ended June 30, 2010

	FLOYD COUNTY	GILES COUNTY	MONTGOMERY COUNTY	PULASKI COUNTY	CITY OF RADFORD	NRV
REVENUES						
Local Government	\$14,238,558	\$21,892,098	\$85,630,979	\$45,003,693	\$18,306,720	\$185,072,048
State Government	15,433,342	20,690,906	69,722,476	41,654,839	15,417,243	162,918,806
Federal Government						
Pass-through	3,988,562	5,028,389	20,701,942	16,782,593	3,053,870	49,555,356
Direct	16,749	23,327	6,417	14,359	-	60,852
Total Revenue	33,677,211	47,634,720	176,061,814	103,455,484	36,777,833	397,607,062
EXPENDITURES						
Government Administration	1,055,977	1,365,312	7,225,970	1,674,915	2,137,035	13,459,209
Judicial Administration	847,140	1,098,698	2,561,292	2,172,761	1,125,737	7,805,628
Public Safety	3,434,664	4,265,246	16,199,615	9,253,914	7,284,993	40,438,432
Public Works	1,681,304	554,567	5,444,332	4,669,254	3,750,006	16,099,463
Health & Welfare	3,765,615	6,721,678	20,040,880	19,793,128	6,229,026	56,550,327
Education	19,647,294	23,818,479	98,824,370	46,310,167	15,049,893	203,650,203
Parks, Recreation, Cultural	336,063	818,511	3,188,198	1,268,525	1,857,756	7,469,053
Community Development	123,685	6,887,779	1,352,421	8,765,202	656,782	17,785,869
Nondepartmental	-	-	-	-	-	0
Total Expenditures	30,891,742	45,530,270	154,837,078	93,907,866	38,091,228	363,258,184
NET INCOME	2,785,469	2,104,450	21,224,736	9,547,618	-1,313,395	34,348,878

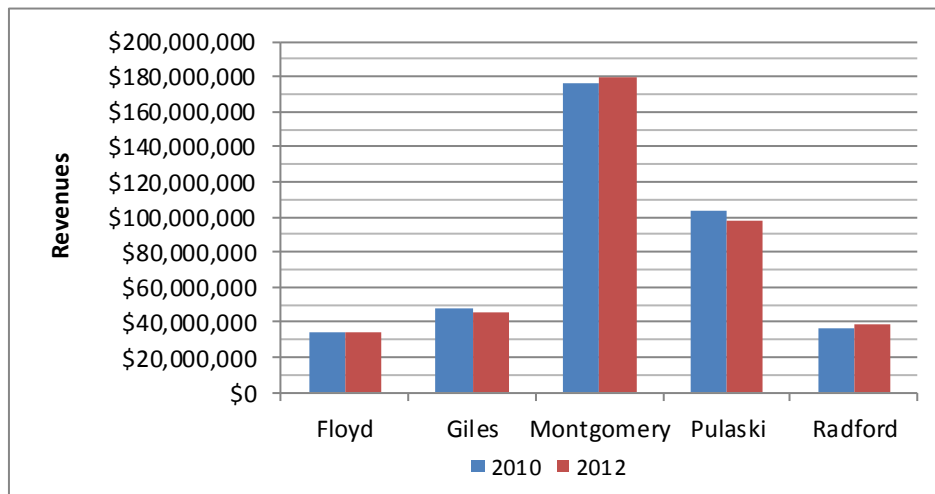
Source: Comparative Report of Local Revenues and Expenditures, Year Ended June 2010: Commonwealth of Virginia, Auditor of Public Accounts, 2013.

Table 45
NRV Revenues and Expenditures by Jurisdiction
Year Ended June 30, 2012

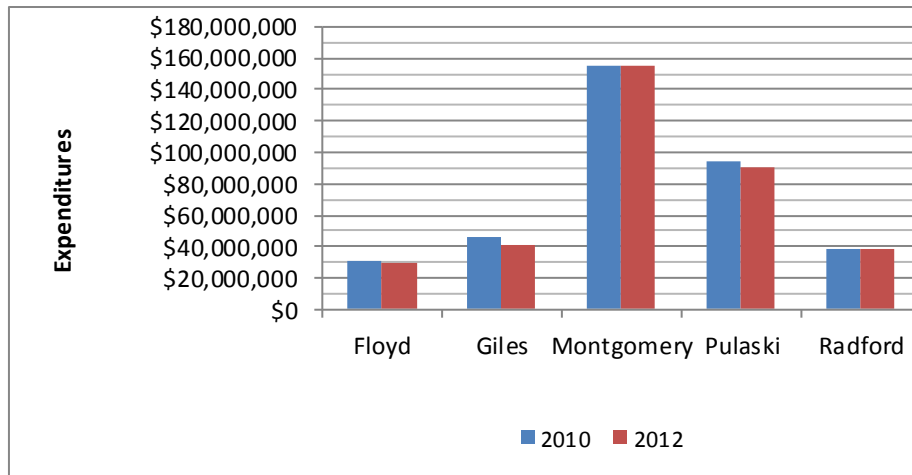
	FLOYD COUNTY	GILES COUNTY	MONTGOMERY COUNTY	PULASKI COUNTY	CITY OF RADFORD	NRV
REVENUES						
Local Government	\$15,212,724	\$19,348,565	\$96,704,105	\$44,037,199	\$20,006,369	\$195,308,962
State Government	15,523,899	21,985,114	68,754,427	42,370,633	15,981,920	164,615,993
Federal Government						
Pass-through	3,377,071	3,891,122	12,790,883	11,596,842	3,016,218	34,672,136
Direct	4,835	57,374	1,015,684	20,420	-	1,098,313
Total Revenue	34,118,529	45,282,175	179,265,099	98,025,094	39,004,507	395,695,404
EXPENDITURES						
Government Administration	944,429	1,337,848	6,080,108	1,982,601	2,081,112	12,426,098
Judicial Administration	902,091	1,151,225	2,861,115	2,263,355	1,093,311	8,271,097
Public Safety	3,809,413	4,398,941	17,277,139	9,403,109	7,071,629	41,960,231
Public Works	1,517,164	421,212	3,673,531	5,782,311	4,050,976	15,445,194
Health & Welfare	4,108,099	8,370,253	22,636,185	21,944,802	7,667,673	64,727,012
Education	17,460,753	22,263,939	97,121,754	44,812,361	14,371,882	196,030,689
Parks, Recreation, Cultural	305,849	743,801	3,269,028	1,309,250	1,873,625	7,501,553
Community Development	550,696	1,852,447	1,572,504	2,806,628	623,181	7,405,456
Nondepartmental	-	-	-	-	-	-
Total Expenditures	29,598,494	40,539,666	154,491,364	90,304,417	38,833,389	353,767,330
NET INCOME	4,520,035	4,742,509	24,773,735	7,720,677	171,118	41,928,074

Source: Comparative Report of Local Revenues and Expenditures, Year Ended June 2012: Commonwealth of Virginia, Auditor of Public Accounts, 2013.

Figure 24
New River Valley Revenues
2010 and 2012



**Figure 25
New River Valley Expenditures
2010 and 2012**



State Taxes Applying to Individuals

Two state taxes are imposed on individuals: the individual income tax and the sales and use tax. The individual income tax applies to income received from Virginia sources by residents and non-residents. This tax is based on federal adjusted gross income, with certain modifications and deductions allowed. The individual income tax is outlined in Table 46.

**Table 46
Virginia Taxable Income Rates**

TAXABLE INCOME	RATE
\$0.01 - \$3,000.00	2%
\$3,000.01 - \$5,000.00	\$60 plus 3%
\$5,000.01 - \$17,000.00	\$120 plus 5%
\$17,000.01 and over	\$720 plus 5.75%

Source: Virginia Tax Facts, July 2012; Virginia Department of Taxation.

Local Taxes Applying to Manufacturers and Individuals

In Virginia, cities and counties are separate taxing entities. Residents of towns, however, are subject to both town and county levies, except for utility taxes, which are paid only to the town if levied by both the town and the county.

The major local taxes paid by manufacturers in Virginia are real estate, machinery, and tools taxes. In addition to these levies, businesses in the New River Valley are assessed utilities taxes based on their utility consumption. Individuals in all of the jurisdictions are also assessed real estate and utilities taxes, as well as taxes on tangible personal property. In addition, all jurisdictions collect a sales tax and use tax of one percent in conjunction with the state levy of three and one-half percent. In general, tax rates in the New River Valley compare favorably with state and national figures. The real property tax rate is based on \$100 of assessed value. A number of localities have implemented use-value taxation, which bases assessed value of the real estate on its actual use rather than its potential value if developed to its "highest and best" use. Both real and personal property taxes usually total less than 2 percent of the actual assessed values. A summary of taxes is presented in Table 47.

Table 47
Local Tax Rates
New River Valley: Tax Year 2011-2012

CATEGORY	FLOYD COUNTY	GILES COUNTY	MONTGOMERY COUNTY	PULASKI COUNTY	CITY OF RADFORD
REAL ESTATE (Per \$100 Assessed Value) Nominal Tax Rate	\$0.50	\$0.54	\$0.75	\$0.54	\$0.76
TANGIBLE PERSONAL PROPERTY (Per \$100 Assessed Value) Nominal Tax Rate	\$2.95	\$1.91	\$2.45	\$2.14	\$1.76
MACHINERY AND TOOLS (Per \$100 Assessed Value) Nominal Tax Rate	\$1.55	\$0.99	\$1.82	\$1.50	\$1.76
INDUSTRIAL UTILITY TAXES (Tax rate per month)					
Electric	\$1.50 + \$0.01480/kWh (\$20 max)	\$1.50 + \$0.01610/kWh	20% of min. charge + \$0.0148/kWh (\$20 max)	\$0.01515/kWh	\$0.03000/kWh (\$40 max)
Gas	\$3.00		20% of min.charge + \$0.1669/CCF (\$20 max); 20% of min. charge + \$0.0013/CCF (\$20 max)(interruptible)	\$0.14618/CCF	\$0.25/CCF (\$40 max)
BUSINESS/OCCUPATION LICENSE License Fee	None	None	None	None	\$0.75
Wholesalers and Distributors	None	None	None	None	0.07/\$100 of gross purchases
Financial Services	None	None	None	None	\$0.365
Business Services	None	None	None	None	\$0.140
Merchant's Capital	\$3.50@15% = \$0.53	\$0.81 per 100	\$3.05@20% = \$0.61	For <\$300K: \$4.80@22% = \$1.06 >300K-20M: \$4.80@5% =\$0.24 For >\$20M: \$4.80@1% = \$0.05	None

Source: Virginia Economic Development Partnership, 2011-12.

Financial Institutions

Thirty-four banks and savings and loan institutions serve the New River Valley. Table 48 below lists these financial institutions by jurisdiction. With the federal government playing a smaller role in community development, private corporations and foundations such as the Montgomery, Blacksburg, Christiansburg Development Corporation (MBCDC) were organized to enhance, diversify, and broaden the employment base in the New River Valley.

The MBCDC was organized to address small business needs by carrying out programs and activities that include forming venture capital, developing shell building projects, attracting new industry, developing existing industry, supporting start-up industries, and conducting related community projects. The New River Valley Development Corporation was organized with the primary purpose of furthering the economic development and social welfare of the New River Valley through the promotion of, and assistance to, the growth and development of small businesses.

Industrial revenue bonds can be made available through city and county industrial development authorities and the *Virginia's* First Regional Industrial Facility Authority with financing offered at below-market rates. Financing for new and expanding business and industry is also available from other sources. Among these sources are Rural Development, Virginia Small Business Financing Authority, Virginia Enterprise Initiative (Microenterprise Program - New Enterprise Fund) and the Community Development Block Grant program.

Table 48
NRV Financial Institutions
At June 30, 2012

JURISDICTION	INSTITUTIONS	DEPOSITS (\$ in thousands)
Floyd County	Bank of Floyd	\$119,128
	Carter Bank & Trust	58,046
	Stellar One Bank	13,824
Giles County	Stellar One Bank	42,741
	Branch B&T Co	100,036
	National Bank of Blacksburg	97,407
Montgomery County	Bank of America	62,166
	Bank of Floyd	20,562
	Branch B&T Co	87,224
	Carter Bank & Trust	106,774
	Community Capital Bank of VA	43,559
	First Bank	13,294
	First Bank & Trust Co.	34,654
	First-Citizens Bank & Trust	26,323
	Hometown Bank	52,968
	National Bank of Blacksburg	335,246
	Stellar One Bank	556,977
	Suntrust Bank	68,588
	Wells Fargo Bank	271,252
Woodforest National Bank	454	
Pulaski County	Bank of America	71,148
	Bank of Floyd	10,909
	Branch B&T Co	43,649
	Carter Bank & Trust	22,490
	First Bank	25,405
	National Bank of Blacksburg	119,477
	Stellar One Bank	46,813
	Wells Fargo Bank	48,191
	Woodforest National Bank	794
City of Radford	Branch B&T Co	35,746
	Carter Bank & Trust	66,667
	First Bank	44,002
	National Bank of Blacksburg	19,814
	Stellar One Bank	49,060
	Suntrust Bank	105,405
	Wells Fargo Bank	34,972

Source: Federal Deposit Insurance Corporation, 2013.