

***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, 2002, and June 30, 2005 are presented in Table 44.

**Table 44  
Bonded Debt by Jurisdiction**

<b>JURISDICTION</b>	<b>2002</b>	<b>2005</b>
Floyd County	\$8,239,429	\$19,464,103
Giles County	\$20,105,212	\$17,855,830
Montgomery County	\$92,710,910	\$114,087,386
Pulaski County	\$17,943,122	\$18,293,739
City of Radford	\$1,292,327	\$12,608,996
Source: Comparative Report of Local Government Revenues and Expenditures, Year Ended 2002 and 2005: Commonwealth of Virginia, Auditor of Public Accounts, 2003 and 2006.		

***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, 2002 and June 30, 2005 are found in Tables 45 and 46 and Figures 27 and 28.

**Table 45**  
**NRV Revenues and Expenditures by Jurisdiction**  
**Year Ended June 30, 2002**

	FLOYD COUNTY	GILES COUNTY	MONTG. COUNTY	PULASKI COUNTY	CITY OF RADFORD	NRV
<b>REVENUES</b>						
Local Government	\$9,078,912	\$11,794,472	\$51,844,031	\$28,506,096	\$13,562,400	\$114,785,911
State Government	12,168,830	15,511,648	49,086,418	30,621,060	11,205,888	118,593,844
Federal Government						
Pass-through	1,785,252	2,002,091	7,966,320	4,901,990	1,940,342	18,595,995
Direct	10,690	128,716	35,368	34,442	67,438	276,654
Total Revenue	23,043,684	29,436,927	108,932,137	64,063,588	26,776,068	252,252,404
<b>EXPENDITURES</b>						
Government Administration	697,245	971,628	4,870,173	1,359,188	1,329,760	9,227,994
Judicial Administration	428,234	565,034	1,637,361	1,309,097	896,863	4,836,589
Public Safety	1,983,393	2,766,504	5,777,112	6,225,871	4,071,982	20,824,862
Public Works	1,338,392	381,730	3,834,876	3,462,889	3,452,974	12,470,861
Health & Welfare	3,260,111	2,868,131	11,400,287	8,151,821	3,051,782	28,732,132
Education	14,425,480	17,724,626	68,759,151	33,831,981	11,266,906	146,008,144
Parks, Recreation, Cultural	242,565	504,810	2,090,786	958,290	1,085,209	4,881,660
Community Development	414,143	569,517	3,349,057	1,632,069	829,516	6,794,302
Total Expenditures	22,789,563	26,351,980	101,718,803	56,931,206	25,984,992	233,776,544
<b>NET INCOME</b>	254,121	3,084,947	7,213,334	7,132,382	791,076	18,475,860

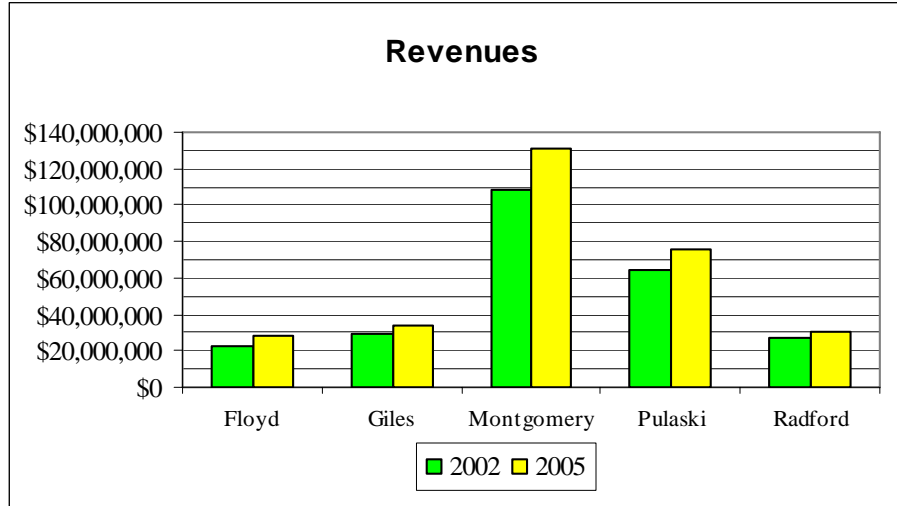
Source: Comparative Report of Local Revenues and Expenditures, Year Ended June 2002: Commonwealth of Virginia, Auditor of Public Accounts, 2003.

**Table 46**  
**NRV Revenues and Expenditures by Jurisdiction**  
**Year Ended June 30, 2005**

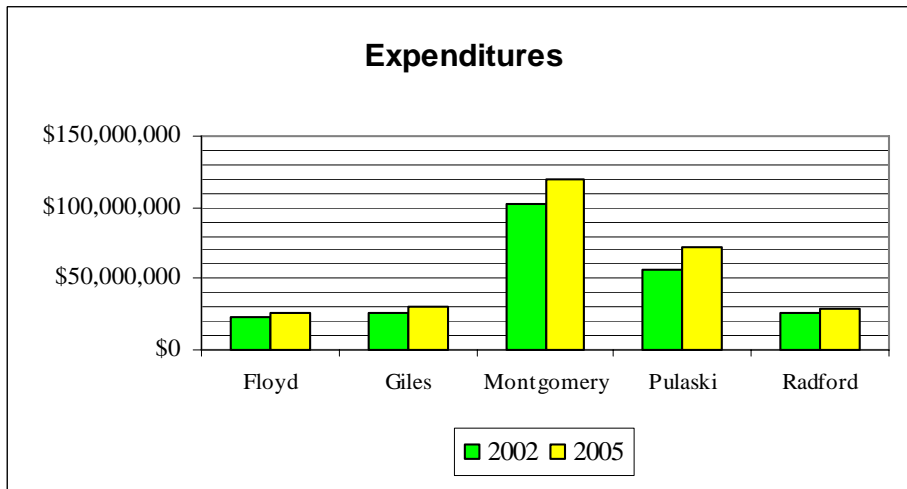
	FLOYD COUNTY	GILES COUNTY	MONTG. COUNTY	PULASKI COUNTY	CITY OF RADFORD	NRV
<b>REVENUES</b>						
Local Government	11,500,298	\$14,047,578	\$62,480,335	\$32,728,173	\$15,835,325	\$136,591,709
State Government	14,369,751	17,297,425	58,621,394	35,398,541	12,246,597	137,933,708
Federal Government						
Pass-through	2,310,446	2,588,059	9,849,001	7,555,247	1,696,081	23,998,834
Direct	6,949	75,258	26,276	20,086	166,053	294,622
Total Revenue	28,187,444	34,008,320	130,977,006	75,702,047	29,944,056	298,818,873
<b>EXPENDITURES</b>						
Government Administration	1,141,681	1,241,624	5,412,715	1,581,077	1,543,641	10,920,738
Judicial Administration	412,771	724,858	1,738,697	1,728,185	1,068,280	5,672,791
Public Safety	3,033,032	3,567,702	8,323,702	8,939,796	4,913,439	28,777,671
Public Works	1,580,882	344,450	5,662,968	3,728,598	3,681,973	14,998,871
Health & Welfare	3,591,834	3,646,414	14,096,391	11,648,309	3,654,993	36,637,941
Education	15,401,857	20,366,345	79,989,949	41,086,239	12,652,845	169,497,235
Parks, Recreation, Cultural	296,225	626,606	2,807,715	1,287,824	1,541,112	6,559,482
Community Development	218,699	116,753	1,532,179	2,569,439	495,767	4,932,837
Nondepartmental	0	200,397	0	0	0	200,397
Total Expenditures	25,676,981	30,835,149	119,564,316	72,569,467	29,552,050	278,197,963
<b>NET INCOME</b>	2,510,463	3,173,171	11,412,690	3,132,580	392,006	20,620,910

Source: Preliminary Comparative Report of Local Revenues and Expenditures, Year Ended June 2005: Commonwealth of Virginia, Auditor of Public Accounts, 2006.

**Figure 27**  
**New River Valley Revenues**  
**2000 and 2005**



**Figure 28**  
**New River Valley Expenditures**  
**2000 and 2005**



***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 47.

**Table 47**  
**Virginia Taxable Income Rates**

<b>TAXABLE INCOME</b>	<b>RATE</b>
\$0.00 - \$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 Department of Taxation, 2006.

***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 48.

**Table 48**  
**Local Tax Rates**  
**New River Valley: Tax Year 2005-2006**

CATEGORY	FLOYD COUNTY	GILES COUNTY	MONTGOMERY COUNTY	PULASKI COUNTY	CITY OF RADFORD
<b>REAL ESTATE</b> (Per \$100 Assessed Value) Nominal Tax Rate	\$0.52	\$0.59	\$0.67	\$0.62	\$0.73
<b>PERSONAL PROPERTY</b> (Per \$100 Assessed Value) Nominal Tax Rate	\$2.70	\$1.85	\$2.45	\$2.00	\$1.76
<b>MACHINERY TOOLS</b> (Per \$100 Assessed Value) Nominal Tax Rate	\$1.55	\$0.90	\$1.82	\$1.50	\$1.76
<b>INDUSTRIAL UTILITY TAXES</b> (Maximum Monthly Tax)					
Electric	\$20.00	1.50+0.01610/kWh	\$20.00	\$20.00	\$40.00
Gas	\$20.00		\$20.00	\$20.00	\$40.00
Telephone	\$20.00	\$1.50 per location	\$20.00	\$20.00	\$20.00
<b>BUSINESS/OCCUPATION LICENSE</b>					
Retailers	None	None	None	None	\$0.135
Wholesalers and distributors	None	None	None	None	\$0.068
Financial Services					\$0.365
Business Services	None	None	None	None	\$0.140
Merchant's Capital	\$3.5@15% = \$0.53	\$ .75 per 100	\$4.50@20% = \$ .90	For <\$300K: \$4.80@22% = \$1.06 >300K-20M: \$4.80@5% = \$.24 For >\$20M: \$4.80@1% = \$.05	None

Source: A Virginia Guide to Local Taxes on Business 2005-2006, Virginia Economic Development Partnership, 2006.

### ***Financial Institutions***

Twenty-seven banks and savings and loan institutions serve the New River Valley. Table 49 on the following page 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 49**  
**NRV Financial Institutions**  
**At June 30, 2005**

<b>JURISDICTION</b>	<b>INSTITUTIONS</b>	<b>DEPOSITS</b> (\$ in thousands)
<b>Floyd County</b>	Bank of Floyd	\$110,379
	Blue Ridge Bank	60,640
<b>Giles County</b>	First National Bank	38,810
	Branch B&T Co of VA	76,752
	National Bank of Blacksburg	80,565
<b>Montgomery County</b>	Bank of America	29,073
	Bank of Floyd	9,390
	Blue Ridge Bank	63,770
	Branch B&T Co of VA	53,360
	First National Bank	454,734
	First-Citizens Bank&Trust Co.	13,238
	National Bank of Blacksburg	233,079
	Suntrust Bank	37,341
	Wachovia Bank	213,795
<b>Pulaski County</b>	Bank of America	86,697
	Blue Ridge Bank	1,870
	Branch B&T Co of VA	31,650
	First National Bank	42,991
	First-Citizens Bank&Trust Co.	19,945
	National Bank of Blacksburg	89,347
	Wachovia Bank	44,921
<b>City of Radford</b>	Blue Ridge Bank	38,952
	Branch B&T Co of VA	64,544
	First Bank	9,329
	First National Bank	64,321
	National Bank of Blacksburg	16,679
	Suntrust Bank	91,056

Source: Federal Deposit Insurance Corporation, 2006.