

Sull-E Newsletter



Recently, my office was contacted by constituents asking about a mass email sent out by Delegate Jim LeMunyon, one of the state legislators who represents part of the Sully District at the General Assembly. In his email, Delegate LeMunyon lays out his take on the proposed Meals Tax that is on the ballot this year in Fairfax County. For full transparency I am including the text of Delegate LeMunyon's email at the bottom of this message.

I was very disappointed to read Del. LeMunyon's message as it provided a number of areas that needed correction. I will do so now in an effort to stop this false information that is being spread.

Our real estate tax rate in Fairfax County is \$1.13 per \$100 of real estate value. In other words that means \$1,130 of taxes per \$100,000 of the assessed value on the property. **Commercial, industrial and residential properties all pay the same rate to our general fund as mandated by state code.** In addition commercial properties pay a special 12.5 cent rate that goes for transportation priorities. Each "penny" on the general tax rate raised \$23.3 million in the FY17 Fairfax County budget which we passed in April.

That rate is unacceptably high but due to a lack of support from the Commonwealth of Virginia, it is necessary to maintain vital county services. Let's compare Fairfax County with Prince William County in the recent state budget that Del. LeMunyon supported. In Prince William, 42% of their total school budget was provided by the Commonwealth, while in Fairfax County we only received 23% of our school budget cost. With the Fairfax County School Budget currently at \$2.7 billion, moving state funding from 23% to 42% would result in an increase of state funding of \$513 million (yes, that's half a billion). **Pull out your calculator and you will see that with each penny on our real estate tax generating \$23.3 million, the \$513 million annual shortchange from the Commonwealth reflects 22 cents on your tax rate here in Fairfax County!**

Despite this massive school funding shortfall from the Commonwealth, our fiscal leadership in Fairfax County has managed to maintain a virtually identical overall tax rate to Prince William County- \$1.13 in Fairfax and \$1.122 in Prince William. With the same level of state funding for education for both localities, our tax rate would be at \$0.91 here in Fairfax County.

I will leave it to Delegate LeMunyon to explain why he has supported the state budgets that shortchange Fairfax County each year. In order to maintain vital county services, this has resulted in property tax increases. Given that record, it is questionable that he would be providing advice to the county on fiscal leadership.

I'm personally very frustrated by seeing your taxpayer dollars wasted on the County having to lobby in Richmond against bills that would hurt Fairfax County Residents. During this legislative session, Del. LeMunyon's bills were the most frequently opposed by the County. You can [see here on pages 23-25](#) from our legislative committee report that Fairfax County had to oppose many LeMunyon transportation bills because they would slow down or block the I-66 improvements

that we have all been waiting so long for!

Delegate LeMunyon correctly notes that funds for schools have increased 29% from the Commonwealth in the last five years. That is true, but misleading. The budgets six, seven, and eight years ago had massive cuts to public education during the height of the Great Recession. **A recent Virginia Association of Counties (VACO) study showed that the “FY18 K-12 funding is still lower in inflation-adjusted per pupil dollars than 10 years ago”.** In fact, in the FY09 state budget (adopted in the spring of 2008 before the Great Recession began) 35% of the General Fund dollars went to K-12 public education in the Commonwealth. The FY18 budget which Del. LeMunyon cites as an increase over the previous years actually only allocates 30% of the General Fund to K-12 education. The Commonwealth’s budgets have moved a larger percentage of funds away from public education and into other general state departments.

Representing Northern Virginia in the General Assembly is a difficult job, and I know that Delegate LeMunyon wishes he could do better in obtaining state funding. **I hope he is more successful this year as we could really use the help to keep taxes low in Fairfax County.**

There are a few other misleading points that were made that I will quickly respond to. There is no “second pension” for Fairfax County employees. Also, the “revenue windfall” that Del. LeMunyon claims is coming to Fairfax County from new development does not yet exist. If it ever does, it will come with many new costs such as an increased need for fire prevention, public safety, police, and the additional students that will come into the FCPS system, as well as other core county services. Finally, Del. LeMunyon says the Board “imagines” that the Meals Tax will not hurt the restaurant industry if passed. A quick visit to the thriving restaurant scene in Fairfax City, Vienna and Arlington (all of which have a Meals Tax) prove that point very well.

There are good arguments on both sides of the Meals Tax issue. Going forward I hope we can debate this issue on its merits instead of having to correct misinformation.



Kathy L. Smith

From Delegate LeMunyon:

Does Fairfax County Need a Meals Tax?

Dear Neighbor,

On the ballot this year is a referendum asking Fairfax County voters to authorize the Fairfax County Board of Supervisors to add a new tax onto restaurant bills, which would likely be four percent. This tax would be tacked on top of the existing six percent sales tax, for a total of 10 percent. Most of the new tax would be designated for schools-- about \$69 million in the first year.

The tax would apply to expensive meals in fancy restaurants, but also to the hamburger and coffee purchased by a homeless person trying to warm up at McDonald's in the winter. Unlike other taxes, the meals tax would have no credits, deductions, or relationship to a person's ability to pay.

The Fairfax Board says the new money is needed to help fund schools. We need to properly fund public education, especially teacher salaries so teachers are less

likely to be recruited to nearby school systems. But the proposed meal tax isn't necessary to do this. Here's why.

The Fairfax County Board of Supervisors directs about 52.7 percent of the Fairfax County general fund budget to schools. If this figure were increased slightly to 54.4 percent, the schools would receive an additional \$69 million per year—just what the meal tax would generate, but without a new tax.

And it's not like the county doesn't have the money. The Fairfax Board raised property taxes by six percent earlier this year.

If you didn't find these facts in the recent voter information distributed by the Fairfax Board, it's because they didn't mention them.

The Fairfax Board's voter information also didn't reference the expected revenue windfall—on the order of tens of millions of dollars—into Fairfax County's coffers from the new development in Tysons Corner and the Dulles Corridor. Would the meals tax go away as this new tax revenue pours in? Highly unlikely.

The Fairfax Board also hopes voters won't ask why retired county employees are eligible for two pensions, rather than just one, until a retiree is old enough to receive Social Security benefits. This second pension is virtually unheard of anywhere else in government or the private sector.

The Fairfax Board also imagines that a restaurant tax won't hurt restaurant businesses or the thousands of hourly workers restaurants employ in Fairfax County. That's not believable.

You may hear that the state needs to do a better job of funding local schools. It's true, and we are doing so. With my support, Fairfax County Public Schools are

receiving a record amount of state tax dollars this year: \$632 million. This represents a 29 percent increase in just five years. An additional \$30 million is budgeted for the 2017-18 school year.

At the same time, Virginia's state budget general fund is actually smaller than it was a decade ago, with inflation and population growth taken into account. How? Because the General Assembly is able to say "no" to special interest groups and earmarks for pet projects so that funds are available for priorities like public education.

The Fairfax County Board of Supervisors needs to take a similar approach. With recent local tax increases in effect and record state funding available to schools, the Fairfax Board needs to make ends meet without another tax. Voters can send this message to the Board by voting "no" on the meals tax referendum.

I welcome your comments and questions.

Yours for good government,

Jim LeMunyon
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