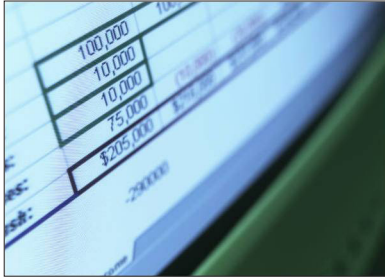


# AAA RATING

Chapel Hill's sound budget practices have earned the Town financial ratings of AAA from Moody's Investors Service and from Standard and Poor's, the highest rating attainable. The AAA rating is given when a local government



has a healthy tax base, conservative management, and is considered by financial analysts to be a good risk for investors.

Why is Chapel Hill's excellent credit rating good news for citizens? Because a Town's credit rating helps investors and creditors measure a municipality's ability to meet its financial obligations. Chapel Hill's excellent credit rating means that it is less expensive for the Town to borrow money. Chapel Hill's lower costs for capital improvements can be passed on to you as a property taxpayer and a stakeholder. Municipal credit ratings are based on a number of factors, including fiscal management, debt levels, reserve fund balances, capital funding requirements, long-range planning and economic outlook — all, beginning with the Town Budget.

# DID YOU KNOW?

One cent of the Town's current tax rate of 52.2 cents generates about \$958,000 in property tax revenue.

Property taxes, generating more than \$50 million budgeted for the 2022–23 fiscal year, represent the largest source of revenue to the Town.

The Town's budget provides service to 63,634 residents.

# LEARN MORE

Copies of the annual budget are available for citizens to read in the Finance Department and Town Manager's Office at Town Hall, 405 Martin Luther King Jr. Blvd., and at Chapel Hill Public Library, 100 Library Drive.

The budget also is available on the web at: [www.townofchapelhill.org/budget](http://www.townofchapelhill.org/budget)

Information: (919) 968-2743

[mayorandcouncil@townofchapelhill.org](mailto:mayorandcouncil@townofchapelhill.org)

For more information about how taxable values are set, call the Orange County Tax Assessor's Office at (919) 245-2725 or (919) 245-2100. Durham residents may call the Durham County Tax Office at (919) 560-0380

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[publicaffairs@townofchapelhill.org](mailto:publicaffairs@townofchapelhill.org)

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# THE TOWN BUDGET



# A BUDGET EXPRESSES COMMUNITY VALUES

# BUDGET PROCESS

Every time you ride a bus, play in the park, phone the police, visit the library, or swim at the local pool, you are witnessing your tax dollars at work.

The budget process decides how those tax dollars will be spent each year. The Town's budget process is planned to provide residents with an opportunity to participate in the discussions at a number of different stages.

Through the budget, the Mayor and Council determine the level of Town services and funding for capital projects, and set the Town's property tax rates and user fees and charges for some services. The kinds



of taxes and other revenues which may be used to pay for Town services and projects are determined by State law.

The Council adopts a budget for the service year starting each July 1. The Council normally holds public forums and hearings before making decisions on the annual budget, the 15-year capital improvements program and applications for community development, housing and transit grants. The meetings are held at Town Hall, usually in January, March and May.



# SETTING TAXES

Three factors influence the amount of property taxes you pay:

- **Town Property tax rate** - set by the Town Council every year when it approves the budget.
- **Assessed value of property** - determined by Orange County or Durham County, depending on location.
- **Special School Tax Rate** - set by Orange County.
- **County Property Tax Rate** - determined by Orange County or Durham County, depending on location.

The Town of Chapel Hill property tax rate for the 2022–23 service year is 52.2 cents per \$100 of taxable value. If you own a home in **Orange County** within the Chapel Hill town limits that is valued at \$200,000, your Town property taxes in 2022–23 total \$1,044. In addition, you will pay Orange County taxes of \$1,662, Chapel Hill-Carrboro Special School District Taxes of \$366 and a Solid Waste Programs Fee of \$142 for a total of \$3,214. If you own a home in **Durham County** within the Chapel Hill town limits, your property taxes in 2022–23 will total \$2,488. These taxes are divided as follows: Chapel Hill \$1,044; Durham County \$1,444.

The responsibility of the County Assessor's office is to value all taxable property in the County. The total value of all the property in the county is the tax base. Every four years Orange County revalues all properties to adjust for changes in market values. Durham County has conducted its revaluations every eight years, and its last was done in 2021.

# QUALITY SERVICES

What does \$100 of taxes buy?

- **\$18.21 of environment and development services**
- **\$17.98 of general government services** (public meetings, citizen information, management, internal services)
- **\$16.86 of debt service**
- **\$13.96 of police services** (community policing, traffic enforcement, youth services, crime prevention, crisis intervention, investigations)
- **\$11.88 of transit services** (fare-free bus service, special services for disabled persons, Tar Heel Express)
- **\$9.86 of fire services** (firefighting, emergency medical response, prevention)
- **\$7.40 of parks and recreation services** (athletic and cultural programs, festivals, parks)
- **\$3.85 of library services** (books, magazines, audio-visuals, assistance finding information, children's literacy programs)

