

# GLOSSARY

**ABSTRACT** - System of recording evidence of real estate title. History of real estate transactions, indexed by legal description and name, that includes transfers of ownership and any rights (i.e., mortgages, contracts, liens) that persons other than the owner might have in the land.

**BALANCED BUDGET** – a budget in which projected revenues are sufficient to cover projected expenditures. In Washington County the planned use of fund balance for a specific project may be used to close any gap between revenues and expenditures.

**BONDS** – Debt instruments that require repayment of a specified principal amount on a certain date (maturity date), and interest at a stated rate or according to a formula for determining the interest rate.

**CAPITAL EXPENDITURES** – Expenditures costing \$5,000 or more that have a life span of at least five years. These expenditures are included in the Capital Improvement Plan.

**CAPITAL IMPROVEMENT PLAN (CIP)** - A plan for capital expenditures needed to maintain and expand the public infrastructure (for example, roads, parks and public buildings). It projects these infrastructure needs for a set number of years and is updated annually to reflect the latest priorities, cost estimates, or changing financial strategies. The first year of the adopted Capital Improvement Plan becomes the Annual Capital Budget.

**CAPITAL PROJECTS** - Projects which purchase or construct capital assets. Typically, a capital project encompasses a purchase of land and/or the construction of a building or facility.

**CERTIFIED PROPERTY TAX LEVY** – See Net Property Tax Levy

**CONTINGENCY** – An appropriation of funds to cover unforeseen events that occur during the fiscal year, such as flood emergencies, federal or state mandates, and shortfalls in revenue.

**COUNTY PROGRAM AID** - State aid payment that replaces the Homestead and Agricultural Credit Aid. In 2005 the County Program Aid payment will be based on a new formula with two components: a county need aid based on certain demographics and tax base equalization.

**COUNTY STATE AID HIGHWAY (CSAH)** - Highways within the county that receive state funds for maintenance and construction.

**DEBT SERVICE** – Payment of principal and interest on an obligation resulting from the issuance of bonds.

**ESTIMATED MARKET VALUE** - See Market Value.

**EXPENDITURES** – Refers to current cash operating expenses.

**FULL-TIME EQUIVALENT (FTE)** - A position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time clerk working 20 hours per week would be equivalent to one-half of a full-time position or 0.5 FTE.

**FUND** - Governmental accounting systems are organized and operated on a fund basis. A fund is an independent financial and accounting entity with a self-balancing set of accounts in which financial transactions relating to revenues, expenditures, assets, and liabilities are recorded. Funds are established to account for the use of restricted revenue sources and to carry on specific activities or pursue specific objectives.

**FUND BALANCE** - Generally thought of as fund equity or the excess of resources over expenditures. In the budget, part of fund balance may be designated and appropriated as a resource to support the fund expenditures.

**GENERAL FUND** – Funds supported by taxes and fees that have unrestricted use.

**GENERAL OBLIGATION BONDS (G.O. Bonds)** – Bonds that finance a variety of public capital projects such as roads, buildings, parks, and improvements. The bonds are backed by the “full faith and credit” of the issuing government.

**GRANTS** - A contribution of assets (usually cash) by one governmental unit or other organization to be used or spent for a specified purpose, activity, or facility. Typically, these contributions are made to local governments from the state and federal governments.

**GROSS PROPERTY TAX LEVY (Gross Levy)** - Refers to the amount of dollars that Washington County needs to collect from property taxes to support the adopted budget.

**HACA** - (Homestead and Agricultural Credit Aid). Aid paid by the state to counties that is used to offset the property tax levy. This aid was replaced in 2005 with an aid named County Program Aid

**INTERGOVERNMENTAL** - Referring to activities or transactions occurring between government jurisdictions (e.g., cities and counties). The county maintains specific accounts to receive intergovernmental revenues.

**LAW ENFORCEMENT CENTER (LEC)** – This is the county’s 192-bed jail facility and office building.

**LEVY** – To impose a tax, special assessment or service charge for the support of government activities. The total amount of taxes, special assessments or service charges imposed by a government. The term most commonly refers to the real and personal property tax levy.

**LICENSES AND PERMITS** - Charges for the issuance of licenses and permits. Licenses are required for selected trades, occupations and other activities for regulatory purposes. Permits are issued to aid regulation of new business activities.

**LICENSE CENTERS** - Washington County has three offices that provide licensing services to meet the public's needs.

**LOCAL TAXABLE VALUE** - See Tax Capacity

**MANDATE** – Legislation passed by the state or federal government requiring action or provision of services and/or programs. Examples include the Americans with Disabilities Act, which requires actions such as physical facility improvements and provision of specialized transportation services.

**MARKET VALUE** - “Estimated market value” is what the Assessor has estimated that property would sell for if it were to be sold in an arm’s length transaction. Market value deferments for Green Acres and Open Space, and exclusions under the platted vacant land, limited market value, and This Old House laws are subtracted from the “estimated market value” to arrive at the “taxable market value.”

**NET PROPERTY TAX LEVY (Net Levy)** - The net levy refers to the amount in dollars that Washington County needs to collect from property taxes less HACA and other state aid to support the adopted budget.

**PARCEL GROWTH** – Large plats of land are divided into smaller parcels, typically resulting in increased residential and commercial structures.

**PERFORMANCE MEASURES (INDICATORS)** - The intent of the performance measurement effort is to integrate outcome orientation into the county’s ongoing decision-making process. Performance indicators measure different specific aspects of a program to provide information and insight into how a program is actually functioning in comparison to its intended outcomes. Selected measures from the county’s departments have been included in this budget document.

**PLAT** - A map of a subdivision of land, prepared in accordance with state statutes and local subdivision regulations.

**REFERENDA MARKET VALUE** - Rate applied to the taxable market value of a property to calculate the market value referenda tax for certain referendum levies that are based on market value instead of tax capacity.

**REVENUE** - Income received by the county to support programs, or services provided. It includes such items as taxes, fees, user charges, grants, fines, forfeits, interest income and miscellaneous revenue.

**SENTENCE-TO-SERVICE (STS)** - A jail alternative program designed to save taxpayer money by avoiding costly incarceration, providing work projects that are of benefit to the public by improving the condition of its natural resources and improving competency levels for offenders through completion of meaningful work experiences.

**SPMI** - Serious and Persistent Mental Illness

**SPECIAL PROJECTS EMPLOYEES** - Contract positions that are short-term in nature. The period of the contract may coincide with the life of a grant program or special project. Such positions are usually supported by a specific revenue stream, often a state or federal grant.

**STATE-SHARED REVENUES** – Revenues levied and collected by the state but shared with local governments as determined by state government each year.

**TAX CAPACITY** - The taxable market value of each parcel of taxable property is multiplied by the class rate for that type of property. The total net tax capacity of all real and personal property, less adjustments for tax increment financing districts power line credits and fiscal disparities, is the tax base for levying taxes or local taxable value.

**TAX INCREMENT FINANCING (TIF)** - TIF districts are created to fund improvements, which increase market values of the properties in the district. The taxes generated by the increased market value are “captured” by the TIF district to finance project development costs.

**TAX RATE** - Rate applied to the tax capacity of a property to calculate the tax. Determined by adding together the tax rates for the county, municipality, school district, and special taxing districts whose jurisdiction the property located. Expressed as a percentage of tax capacity.

**TAXABLE MARKET VALUE** - See Market Value

**TORRENS** – System of registration of land titles by District Court Order resulting in the creation of a Certificate of Title. All subsequent transactions affecting the property are noted upon the certificate.

**TOTAL MARKET VALUE** - The total of all estimated market values in the county.

**TOTAL NET TAX CAPACITY** - See Tax Capacity

**TOTAL TAXABLE VALUE** - Local taxable value with the addition of fiscal disparities’ distributions.

**USER FEE or USER CHARGE**- A fee paid for a public service or use of a public facility by the individual or organization benefiting from the service.

**WCRRRA** - Washington County Regional Rail Authority

**WOMEN, INFANTS AND CHILDREN (WIC)** - A government nutrition program for low-income families with young children.