

INTRODUCED: September 14, 2015

AN ORDINANCE No. 2015-170

To amend and reordain City Code § 98-121, concerning the levy of tax on real estate, to establish a tax rate of \$1.17 for the tax year beginning Jan. 1, 2016, which represents the Rolled Back Tax Rate pursuant to Va. Code § 58.1-3321(b).

\_\_\_\_\_  
Patrons – President Mosby and Mrs. Graziano

\_\_\_\_\_  
Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: NOV 9 2015 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That section 98-121 of the Code of the City of Richmond (2004) be and hereby is **amended** and reordained as follows:

**Sec. 98-121. Levy.**

There shall be levied and collected for each year on all real estate located in the City not exempt from taxation a tax of one dollar and [~~twenty~~] seventeen cents [~~(\$1.20)~~] (\$1.17) for the tax year beginning January 1, [~~2015~~] 2016, and for each year thereafter, until otherwise provided by law or ordinance, for each one hundred dollars (\$100) of assessed evaluation thereof for general purposes.

AYES:            9            NOES:            0            ABSTAIN: \_\_\_\_\_

ADOPTED: \_\_\_\_\_ REJECTED: \_\_\_\_\_ STRICKEN:            Nov 9 2015

§ 2. That the aforesaid tax rate of \$1.17 is established pursuant to section 58.1-3321(b) of the Code of Virginia (1950), as amended, and represents the Rolled Back Tax Rate of \$1.17 computed in accordance with section 58.1-3321(a) of the Code of Virginia (1950), as amended.

§ 3. That the aforesaid tax rate of \$1.17 shall be applied.

§ 4. This ordinance shall be in force and effect as of January 1, 2016.



# Richmond City Council

The Voice of the People

Richmond, Virginia

## Office of the Council Chief of Staff

### Ordinance/Resolution Request **RECEIVED**

AUG 21 2015

**TO** Allen Jackson, City Attorney

**THROUGH** Lou Ali, Council Chief of Staff *W*

OFFICE OF CITY ATTORNEY

**FROM** Meghan Brown, Council Budget Analyst *MLB*

**COPY** Kathy Graziano, 4<sup>th</sup> District Council Member  
Michelle R. Mosby, 9<sup>th</sup> District Council Member  
Vincent Jones, Deputy Council Chief of Staff  
Timothy E. Grimes, 4<sup>th</sup> District Liaison  
Uzziah A. Harris, 9<sup>th</sup> District Liaison  
Jim Hester, City Assessor  
Haskell Brown, Deputy City Attorney

**DATE** August 20, 2015

**PAGE/s** 1 of 2

**TITLE** Ordinance to Set the Tax Rate at \$1.17 Per \$100 of Assessed Value

This is a request for the drafting of an

**Ordinance** ☒

**Resolution** ☐

**REQUESTING COUNCILMEMBER/PATRON**

President Mosby  
Councilwoman Graziano

**SUGGESTED STANDING COMMITTEE**

Finance and Economic Development

**ORDINANCE/RESOLUTION SUMMARY**

The patrons request an ordinance to amend City Code Section 98-121 setting the tax rate at \$1.17 per \$100 of Assessed Value, which is the "Rolled Back Tax Rate."

**BACKGROUND**

During the month of July, the City Assessor provided City Council with a report on the upcoming 2016 Land Book. With that notice it was indicated that the aggregate taxable base, preliminarily, is projected to increase by 3.31% to approximately \$20.7 billion. Given the level of increase, in accordance with Section 58.1-3221 of the Code of Virginia, when any annual assessment or general reassessment of real property would result in an increase of 1 percent or more in the total real property tax levied, such county, city or town shall reduce its rate of levy for the forthcoming tax year, so as to cause such rate of levy to produce no more than 101 percent of the previous year's real property tax levies. Each \$.01 of the tax

rate generates approximately \$2.06 million dollars in revenue.

Tax rates are different than the "Roll Back" rate which requires public hearings and notices in accordance with Section 58.1-3221 of the Code of Virginia. The patrons requests this tax rate option for Council to consider in anticipation of adopting a new Richmond Government Budget (Fiscal Plan) for the upcoming fiscal year.

#### FISCAL IMPACT STATEMENT

Fiscal Impact Yes ☒ No ☐

Depending on the tax rate selected the City will either realize additional or a reduction in revenue. The adopted FY16 and approved FY17 budgets did take into account the increase in property assessments at the current \$1.20 tax rate. Each \$.01 of the tax rate generates approximately \$2,069,511.40 in revenue.

Budget Amendment Required Yes ☐ No ☒

Estimated Cost or Revenue Impact N/A

Attachment/s Yes ☒ No ☐

1. July 23<sup>rd</sup> Report of 2016 Reassessment from Jim Hester



# CITY OF RICHMOND

## INTRACITY CORRESPONDENCE

**TO: Members of City Council**

**FR: James D. Hester, City Assessor**

**DA: 7/23/2015** *J. Hester*

**RE: Required Public Hearing on 2016 proposed tax rate**

---

The City Attorney's Office has indicated that the language of VA Code § 58.1-3321, regarding real estate tax rollback requirements and the resetting of the tax rate, requires an O&R to be introduced at either the September 14, 2015 or the September 28, 2015 City Council Meeting.

I provided information earlier this week that the growth in land book value for 2016, over the 2015 land book, was 3.31%. Below are actual numbers used to measure the % change as required by the "Rollback" Statute, the estimated land book number used during the FY2016 budget process, and the estimated total 2016 land book after new construction assessments are supplemented at the end of this calendar year:

| Tax Year | Tax Base         | Tax Rate      | Projected Revenue | %Chg   |
|----------|------------------|---------------|-------------------|--------|
| 2015*    | \$20,031,295,000 | \$1.20/\$100. | \$240,376,000     |        |
| 2016*    | \$20,695,114,000 | \$1.20/\$100. | \$248,341,000     | 1.0331 |

Other relative numbers:

|         |                  |               |               |
|---------|------------------|---------------|---------------|
| 2016**  | \$20,632,000,000 | \$1.20/\$100. | \$247,584,000 |
| 2016*** | \$20,845,114,000 | \$1.20/\$100. | \$250,141,000 |

---

If a public hearing is not held, state law requires the tax rate to "rollback" to \$1.17, which is the tax rate that produces no more than 1% revenue growth over the same calculation in 2015.

---

\* Represents actual numbers

\*\* Numbers used in the creation of the FY2016 budget process

\*\*\* Final 2016 land book totals and revenue after new construction assessments are supplemented.