

INTRODUCED: September 13, 2021

AN ORDINANCE No. 2021-235

To amend and reordain City Code § 26-355, concerning the levy of tax on real estate, to establish a tax rate of \$1.20 for the tax year beginning Jan. 1, 2022, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.071 as computed in accordance with Va. Code § 58.1-3321(a).

Patron – President Newbille

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: NOV 8 2021 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That section 26-355 of the Code of the City of Richmond (2020) be and hereby is **amended** and reordained as follows:

Sec. 26-355. 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 \$1.20 for the tax year beginning January 1, [~~2021~~] 2022, and for each year thereafter, until otherwise provided by law or ordinance, for each \$100.00 of assessed evaluation thereof for general purposes.

AYES: 6 NOES: 2 ABSTAIN: _____

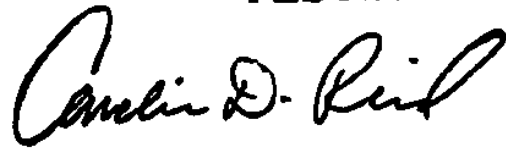
ADOPTED: NOV 8 2021 REJECTED: _____ STRICKEN: _____

§ 2. That the aforesaid tax rate of \$1.20 is established pursuant to section 58.1-3321(b) of the Code of Virginia (1950), as amended, and represents an increase of \$0.129 from the Rolled Back Tax Rate of \$1.071 computed in accordance with section 58.1-3321(a) of the Code of Virginia (1950), as amended.

§ 3. That the aforesaid tax rate of \$1.20 shall be applied in lieu of the Rolled Back Tax Rate of \$1.071.

§ 4. This ordinance shall be in force and effect as of January 1, 2022.

**A TRUE COPY:
TESTE:**

A handwritten signature in black ink, appearing to read "Carolin D. Reed". The signature is written in a cursive style with a large initial 'C'.

City Clerk



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Ordinance/Resolution Request

TO Haskell Brown, Interim Richmond City Attorney
Richmond Office of the City Attorney

THROUGH Joyce Davis
Interim Council Chief of Staff

FROM Samson Anderson, Council Budget Analyst

COPY Cynthia Newbille, 7th District Representative
Sam Patterson, 7th District Liaison
Tabrica Rentz, Interim Deputy Richmond City Attorney

DATE September 1, 2021

PAGE/s 1 of 2

TITLE **Annual Setting of Property Tax Rate**

This is a request for the drafting of an **Ordinance** **Resolution**

REQUESTING COUNCILMEMBER/PATRON

President Newbille, 7th District
Representative

SUGGESTED STANDING COMMITTEE

Finance & Economic Development

ORDINANCE/RESOLUTION SUMMARY

The patron requests an ordinance to amend City Code Section 98-121 to maintain the tax rate at \$1.20 per \$100 of Assessed Value, which is an increase from the "Rolled Back Tax Rate" of \$1.071.

BACKGROUND

Summary: The City Assessor provided City Council with a report on the upcoming 2022 Land Book. With that notice it was indicated that the aggregate taxable base is projected to increase by 13% to approximately \$31.7 billion. Section 58.1-3221 of the Code of Virginia, provides that 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 \$0.01 of the tax rate generates approximately \$3.1 million dollars in revenue.

Adoption of a tax rate that differs from the "Roll Back" rate requires a public hearing and notice in accordance with Section 58.1-3221 of the Code of Virginia. The patrons request this tax rate option for Council to consider in anticipation of adopting new Richmond Government Budget (Fiscal Plan) for the upcoming fiscal year.

FISCAL IMPACT STATEMENT

Fiscal Impact	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Budget Amendment Required	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Estimated Cost or Revenue Impact: The adopted FY22 budget did take into account the increase in property assessments at the current \$1.20 tax rate.		

Attachment/s Yes No

Richmond City Council Ordinance/Resolution Request Form/updated 10.5.2012 /srs

CITY OF RICHMOND

INTRACITY CORRESPONDENCE



TO: Members of City Council

FROM: Richie McKeithen, City Assessor

DATE: September 8, 2021

REFERENCE: Required Public Hearing on 2022 Proposed Roll Back Tax Rate

The City Attorney’s Office has indicated that the language of VA Code Section 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 13, 2021 or September 27, 2021 City Council Meeting. The City Attorney’s Office recommends that the real estate tax rate ordinance be introduced at the September 13, 2020 meeting to allow sufficient time for deliberation prior to adoption by no later than November 8, 2021.

The growth in land book value for Tax Year 2022, over the Tax Year 2021 land book, was 13.0%. Below are actual numbers used to measure the % change as required by the “Rollback” Statue, the estimated land book number used during FY 2022 budget process, and the estimated total 2022 land book value after new construction assessments are supplemented at the end of this calendar year.

Tax Year	Tax Base	Tax Rate	Projected Revenue	% Chg
2021*	\$28,017,498,000	\$1.20/\$100	\$336,209,976	
2022*	\$31,692,390,000	\$1.20/\$100	\$380,308,680	13.0

Other relative numbers:

2022**	\$29,978,722,860	\$1.20/\$100	\$359,744,674
2022***	\$32,009,313,900	\$1.20/\$100	\$384,111,767

If a public hearing is not held, state law requires the tax rate to “rollback” to \$1.071, which is the tax rate that produces no more than 1% revenue growth over the same calculation in 2020.

* Represents actual numbers
 ** Numbers used in the creation of the FY 2022 budget process
 *** Final estimated 2022 land book totals and revenue after new construction assessments are supplemented