

The seal of the City of Richmond is a circular emblem. It features a central figure of a person standing on a rock, holding a staff or pole. The figure is white against a blue background. The seal is surrounded by a ring of stars. The text "CITY OF RICHMOND" is written in a circle around the top, and "ESTABLISHED 1737" is written around the bottom. A red banner is at the very bottom of the seal.

REAL ESTATE ASSESSMENT REALIGNMENT

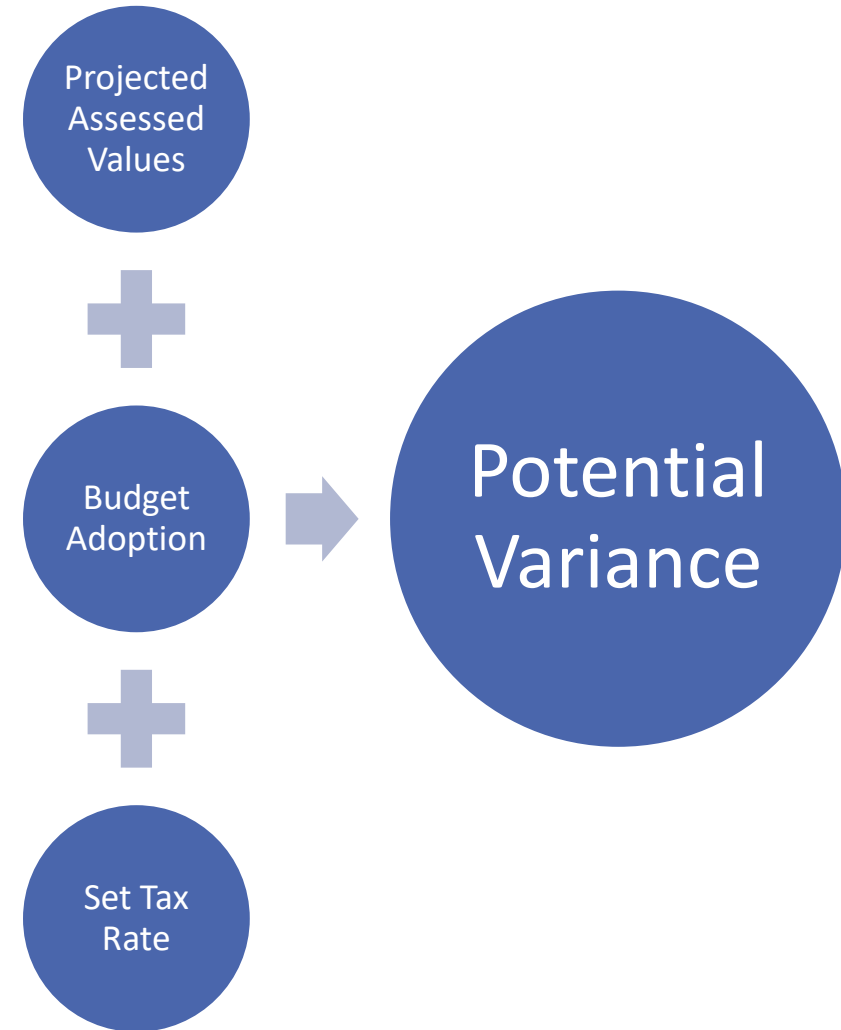
PURPOSE

- Provide an overview of the current real estate assessment and budget development cycles.
- Discuss the alignment.
- Community outreach.
- No action from council is necessary at this time.



WHAT ARE THE ISSUES?

- Budgets are based on projected assessed values.
- This means that budgets are adopted based on estimated reassessments, not reliable values.
- Tax rate is set well after the fiscal year has started.
- Results in large budget deficits or surpluses.
- Budget credibility is in question.



ROLES AND RESPONSIBILITIES

Assessor

- Assesses real estate annually
- Issues assessment notices of property value
- Issues Land Book effective January 1

Administration

- Prepares annual budget
- Introduces budget in March
- Collects real estate tax in January and June

City Council

- Adopts budget in May
- Sets the real estate tax rate in November

HOW DID WE GET HERE?

Prior to 1962:

Two collections
(50% each) in
June and
December.

1966: Changed
to one
collection at
100% in June.

2010:
Biennial
assessment
through January
1, 2012.

2012:
Return to annual
assessment with
two half bills in
January and June.

1962:
Collection
changed to 75% /
25% in June and
December.

Late 1980s:
Tightening effects on cash
availability. In 1987, the
Unassigned General Fund
balance was \$1.3 million,
and city's credit rating
downgraded to AA- by S&P.

2011:
Reversed to two
collections (50%
each) in January
and June.

2024:
Realignment to fiscal
year adopted, one-
time biennial
assessment for 2026
and 2027

WE ARE BOUND BY CODE AND CHARTER

	Code of Virginia	City Charter	City Code
Real estate tax: <i>Based on prior year's assessment or biennial assessment</i>	✓		
Fiscal year: <i>July 1 – June 30</i>		✓	
Tax year: <i>January 1 – December 31</i>		✓	
Assessment year: <i>January 1 – December 31</i>			✓

✓ = requires state approval

✓ = city has authority to change

REALIGNING THE ASSESSMENT CYCLE

1

**Assessment will
move ahead of
budget.**

2

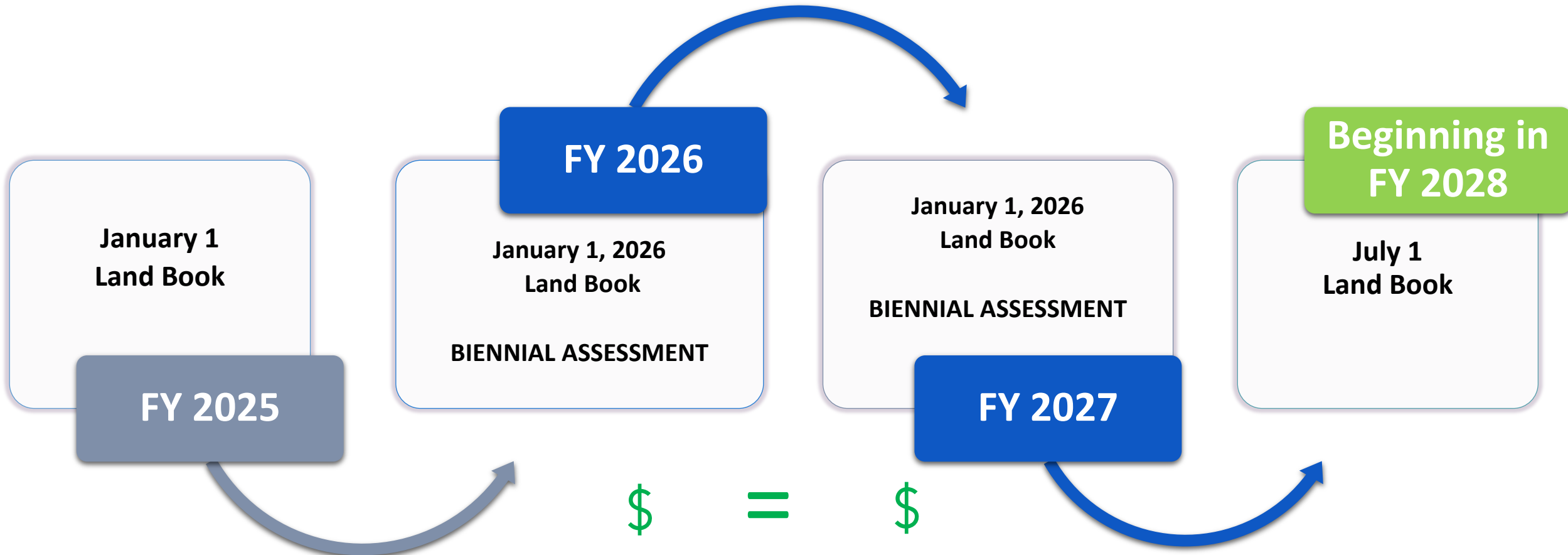
**Begin next
reassessment in
July.**

3

**Move to a Fiscal
Year assessment
cycle.**

MOVE TO BIENNIAL REASSESSMENT FOR 2026 AND 2027

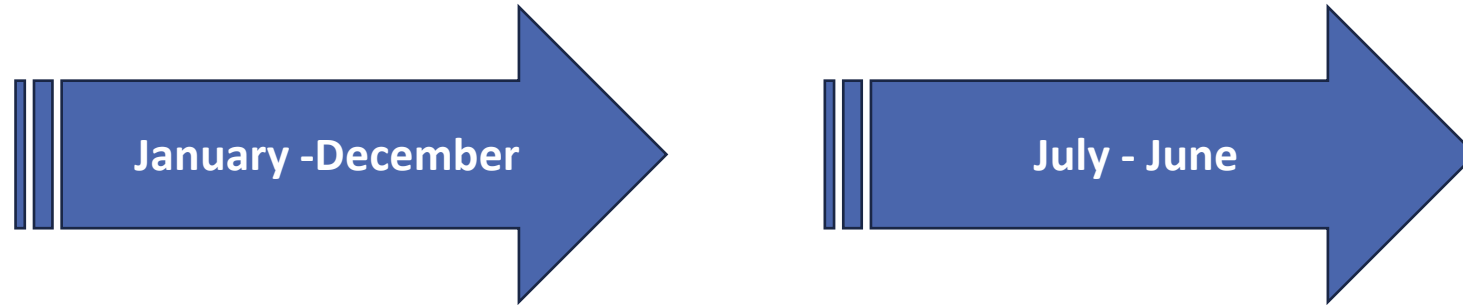
JANUARY 1, 2026, LAND BOOK VALUES IN EFFECT FOR
TAX YEAR 2026 AND TAX YEAR 2027 BILLING



\$ are for illustrative purposes

DECISION MADE TO MOVE TO ASSESSMENT CYCLE

- In 2024, Richmond City Council adopted legislation to realign the real estate assessment period from a calendar year cycle to a fiscal year cycle.



- Realignment will begin in 2026.
- Use the same 2026 Land book for 2027.
- Incremental Real Estate Revenue will be minimal for FY 2027.

WHY REALIGN THE ASSESSMENT CYCLE?

- Benefits of realigning the assessment cycle to a fiscal year schedule:
 - More precise budget revenue projections, due to additional months of assessment data.
 - Real estate taxpayers will have additional time between reassessment and tax billing due dates, allowing them to plan expenses.
 - The real estate tax rate could be adopted alongside the budget, rather than as a stand-alone action in November.



PROJECTED TIMELINE FOR COMMUNICATIONS & PUBLIC OUTREACH

The city will partner with a vendor to develop a comprehensive communications plan to inform affected parties what to expect, so they can plan.

Groups that will be contacted as part of the communications effort:

Real estate owners (residents and businesses)

Beginning September 2025, and in every communication hence

Mortgage companies and title/companies

Real estate agents and companies

Community development authorities/organizations

ChamberRVA (chambers of commerce)

Beginning January 2026, with formal campaign to begin January 2027

