

INTRODUCED: September 8, 2025

AN ORDINANCE No. 2025-207

To amend 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, 2026, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.146 as computed in accordance with Va. Code § 58.1-3321(a).

Patrons – President Newbille and Mayor Avula

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: SEP 22 2025 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** 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, [~~2025~~] 2026, and for each year thereafter, until otherwise provided by law or ordinance, for each \$100.00 of assessed evaluation thereof for general purposes.

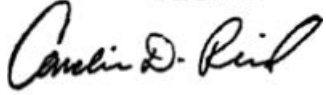
AYES: 6 NOES: 2 ABSTAIN: 1

ADOPTED: OCT 14 2025 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 \$0.054 from the Rolled Back Tax Rate of \$1.146 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 \$1.146.

§ 4. This ordinance shall be in force and effect as of January 1, 2026.

A TRUE COPY:
TESTE:

City Clerk

DATE: August 25, 2025
TO: The Honorable Members of City Council
THROUGH: The Honorable Cynthia I. Newbille, Councilmember 7th District
THROUGH: RJ Warren, Council Chief of Staff
THROUGH: Will Perkins, Senior Legislative Services Manager
FROM: The Honorable Cynthia I. Newbille, Councilmember 7th District
RE: Establishing a real estate tax rate of \$1.20 per \$100 of Assessed Real Estate Value.

CNL - 2025 - 0039

PURPOSE: 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, 2026, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.146 as computed in accordance with Va. Code § 58.1-3321(a).

BACKGROUND:

The City Assessor provided City Council with a memo on the upcoming 2025 land book value for Tax Year 2026 (see attached). With that notice it was indicated that the aggregate taxable base, is projected to increase by 5.74%.

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 \$.01 of the tax rate generates approximately \$3.5 million dollars in total 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 patron is requesting 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: None.

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: September 8, 2025

CITY COUNCIL PUBLIC HEARING DATE: September 22, 2025

REQUESTED AGENDA: Regular

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

AFFECTED AGENCIES: Budget Office, Finance Dept, and Assessor's Office

RELATIONSHIP TO EXISTING ORD. OR RES.: None

ATTACHMENTS: "McKeithen Memo - Tax Year 2026 Proposed Roll Back Rate - 8.8.25"

STAFF: Will Perkins, Senior Legislative Services Manager, (804) 646-5975



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Assessor of Real Estate

TO: Members of City Council
FROM: Richie McKeithen, City Assessor
DATE: August 8, 2025
REFERENCE: Required Public Hearing on 2026 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 8, 2025, September 22, 2025, or October 14, 2025** City Council Meeting in order to maintain the current tax rate or to adopt a tax rate that is higher than the "rollback" tax rate. The City Attorney's Office recommends that the real estate tax rate ordinance be introduced at the **September 8, 2025** meeting to allow sufficient time for deliberation prior to adoption by no later than **November 10, 2025**.

The growth in proposed land book value for Tax Year 2026, over the Tax Year 2025 land book, was 5.74%. Below are actual numbers used to measure the % change as required by the "Rollback" Statue, the estimated land book number used during FY 2026 budget process, and the estimated total 2026 proposed 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
2025*	\$41,227,522,000	\$1.20/\$100	\$494,730,264	
2026*	\$43,592,137,000	\$1.20/\$100	\$523,105,644	5.74%

Other relative numbers:

2025**	\$43,701,173,320	\$1.20/\$100	\$524,414,080
2025***	\$43,810,097,685	\$1.20/\$100	\$525,721,172

If a public hearing is not held, state law requires the tax rate to "rollback" to \$1.146, which is the tax rate that produces no more than 1% revenue growth over the same calculation in 2024.

* Represents actual numbers

** Numbers provided by the Assessor in the creation of the FY 2026 budget process

*** Final estimated 2026 land book totals and revenue after new construction assessments are supplemented