

INTRODUCED: May 13, 2024

AN ORDINANCE No. 2024-130

To amend and reordain City Code §§ 2-1128, concerning applications for equalization of real estate assessments, 26-101, concerning the creation and purpose of the Office of Assessor of Real Estate, 26-104, concerning the duties, 26-122, concerning the time of making and entering assessment and notice of increases, and 26-147, concerning land books generally, to be effective for real estate tax assessments that are used to calculate real estate taxes for the tax years beginning on Jan. 1, 2026, and Jan. 1, 2027; to amend and reordain City Code §§ 26-104, concerning the duties, 26-105, concerning the assessment of new buildings substantially completed or fit for use and occupancy, and abatement of levies, 26-122, concerning time of making and entering an assessment and notice of increase, 26-147, concerning land books generally, 26-203, concerning the effective date of assessments, 26-230, concerning application to the Assessor for administrative reviews, 26-231, concerning notice of administrative reviews, 26-232, concerning action after hearing and rule of evidence, 26-233, concerning the delegation of hearings to assistant and the summary of evidence, and 26-262, concerning notice to the Assessor of new or remodeled buildings and assessment, to be effective for real estate tax assessments that are used to calculate real estate taxes for the tax years beginning on January 1, 2028, and later; and to amend ch. 26, art. III, div. 1 by adding therein a new section numbered 26-49, concerning the effective date of assessments, all for the purpose of transitioning the City Assessor’s annual real estate assessment cycle from a calendar year to a fiscal year.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAY 28 2024 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

AYES: 8 NOES: 0 ABSTAIN: _____

ADOPTED: MAY 28 2024 REJECTED: _____ STRICKEN: _____

§ 1. That sections 2-1128, 26-101, 26-104, 26-122, and 26-147 of the Code of the City of Richmond (2020) are hereby **amended** and reordained as follows:

Sec. 2-1128. - Applications for equalization of real estate assessments.

(a) Any property owner or such property owner's duly appointed representative may apply to the Board for the adjustment to fair market value and equalization of such property owner's assessment, including errors in acreage. An executed and properly notarized letter from the property owner designating an appointed representative for the property owner shall be presumed to be a valid designation from the property owner, and the person whose signature is notarized shall be presumed to have the authority to designate such representative on behalf of the property owner.

(b) Any application for equalization of real estate assessments shall be filed in the Office of the City Assessor by ~~[November 30 of each year.]~~ December 1, 2025, for both the tax years beginning January 1, 2026, and the tax year beginning January 1, 2027. However, if the City Assessor changes the fair market value of real estate as printed in the land book certified by the City Assessor for any reason after the City Assessor delivers the land book to the Director of Finance but before November 1, 2026, an application for equalization of such change in fair market value may be filed in the Office of the City Assessor by no later than November 30, 2026, for such portions, if any, of the tax years beginning January 1, 2026, and January 1, 2027, as may be assessed pursuant to such change in fair market value. If no applications for relief are received by such date, the Board of Equalization shall be deemed to have discharged its duties. If any such application is mailed by the applicant, the postmark date shall be considered the date of receipt by the City Assessor. A hearing for relief before the Board regarding an assessment on residential property shall not be denied on the basis of a lack of information on the application for relief, as

long as the application includes the address, the parcel number, and the property owner's proposed assessed value for the property. If the application for relief is sent electronically, the date the applicant sends the application shall be considered the date of receipt by the City Assessor. The application is considered sent when it meets the requirements of Code of Virginia, § 59.1-493(a). A hearing for relief before the Board regarding an assessment on commercial, multifamily residential, or industrial property on the basis of fair market value shall not be denied on the basis of a lack of information on the application, as long as documentation of any applicable assessment methodologies is submitted with the application, and the application includes the address, the parcel number, and the property owner's proposed assessed value for the property.

Sec. 26-101. Position created; purpose.

All real estate in the City not exempted from taxation by the State Constitution and not assessable for taxation by the State Corporation Commission as provided by law shall be assessed [~~annually~~] biennially for taxation by the City, and for that purpose the Office of Assessor of Real Estate is hereby created.

Sec. 26-104. Duties.

(a) The Assessor shall assess [~~annually~~] biennially for taxation at its fair market value all real estate in the City which shall include all lands, buildings, structures and improvements thereon and all rights thereto and interests therein and shall have the power to do all things necessary to assess such property.

(b) By no later than May 1 of each year in which a general reassessment is completed, the Assessor shall furnish the City Council with the projected amount of real estate taxes arising from:

(1) The increased taxation of partially exempt real estate due to the phased reduction occurring on or after July 1, 2020, of partial exemptions in accordance with Chapter 26, Article V, Divisions 3 (§§ 26-408.1—26-408.11), 9 (§§ 26-579—26-589), and 10 (§§ 26-590—26-599) of this Code and with former Sections 98-132, 98-135, and 98-138 of the 2004 Code; and

(2) The full taxation of formerly partially exempt real estate due to the expiration or termination of partial exemptions granted in accordance with Chapter 26, Article V, Divisions 3 (§§ 26-408.1—26-408.11), 9 (§§ 26-579—26-589), and 10 (§§ 26-590—26-599) of this Code and with former Sections 98-132, 98-135, and 98-138 of the 2004 Code.

Sec. 26-122. Time of making and entering assessment; notice of increase.

Every assessment of real estate shall be completed not later than December 31 of the year immediately preceding the first tax year for which such assessment is to be effective for tax purposes, and every parcel of real estate shall be entered separately upon a land book in the name and street address of the owner thereof [~~or in the name of the owner of any interest therein. Every such entry shall show the nature of the estate, right, title or interest owned in such real estate~~]. In cases where real property is owned by more than one person, the land book shall contain the name and street address of at least one of the owners. Whenever any such assessment is increased, the Assessor shall give written notice thereof to the owner of such real estate and of any interest therein by mailing such notice to the last known post office address of such owner, but the validity of such assessment shall not be affected by any failure to give or receive such notice.

Sec. 26-147. Generally

The form of the land books shall be prescribed by the Assessor. In preparing the land book, all real estate owned by the City shall be listed separately from all other property assessed. The Assessor shall, upon completion of each [~~annual~~] biennial assessment, certify on the land book on oath that all real estate subject to taxation by the City has been assessed at the fair market value thereof and that there are no errors on the face of the land book. The original of each land book shall be in the Office of the Assessor, and no change or alteration in or addition to any entry appearing thereon shall be made unless authorized by law. There shall also be furnished to the State Department of Taxation such information respecting such assessments as it may require. One copy of the land book shall be delivered by the Assessor to the Collector by May 1 of each year. One copy shall be filed with the Office of the Clerk of the Circuit Court of the City.

§ 2. That section 1 of this ordinance shall be in force and effect on January 1, 2025, and expire on July 1, 2026.

§ 3. That, for the avoidance of doubt, and notwithstanding the provisions of sections 2, 4, and 6 of this ordinance to the contrary, the provisions of Section 1 shall apply to all assessments of real estate used to calculate property taxes on real estate levied pursuant to Article V, Division 2 of Chapter 26 of the Code of the City of Richmond, Virginia (2020), as amended, for the tax years beginning January 1, 2026, and January 1, 2027.

§ 4. That sections 26-104, 26-105, 26-122, 26-147, 26-203, 26-230, 26-231, 26-232, 26-233, and 26-262 of the Code of the City of Richmond (2020) are hereby **amended** and reordained as follows:

Sec. 26-104. Duties.

(a) The Assessor shall assess annually for taxation at its fair market value as of July 1 all real estate in the City which shall include all lands, buildings, structures and improvements

thereon and all rights thereto and interests therein and shall have the power to do all things necessary to assess such property.

(b) By no later than ~~[May]~~ November 1 of each year in which a general reassessment is completed, the Assessor shall furnish the City Council with the projected amount of real estate taxes arising from:

(1) The increased taxation of partially exempt real estate due to the phased reduction occurring on or after July 1, 2020, of partial exemptions in accordance with Chapter 26, Article V, Divisions 3 (§§ 26-408.1—26-408.11), 9 (§§ 26-579—26-589), and 10 (§§ 26-590—26-599) of this Code and with former Sections 98-132, 98-135, and 98-138 of the 2004 Code; and

(2) The full taxation of formerly partially exempt real estate due to the expiration or termination of partial exemptions granted in accordance with Chapter 26, Article V, Divisions 3 (§§ 26-408.1—26-408.11), 9 (§§ 26-579—26-589), and 10 (§§ 26-590—26-599) of this Code and with former Sections 98-132, 98-135, and 98-138 of the 2004 Code.

Sec. 26-105. Assessment of new buildings substantially completed or fit for use and occupancy; abatement of levies on buildings razed, destroyed or damaged.

(a) Notwithstanding any other provision of this chapter to the contrary, all new buildings substantially completed or fit for use and occupancy prior to ~~[November]~~ May 1 of the year of completion shall be assessed when so completed or fit for use and occupancy, and the City Assessor shall enter in the books the fair market value of such building. No partial assessment as provided herein shall become effective until information as to the date and amount of such assessment is recorded in the ~~[Office of the]~~ Department of Finance and made available for public inspection. The total tax on any such new building for that year shall be the sum of (i) the tax upon

the assessment of the completed building, computed according to the ratio which the portion of the tax year such building is substantially completed or fit for use and occupancy bears to the entire year, and (ii) the tax upon the assessment of such new building as it existed on ~~[January]~~ July 1 of that assessment year, computed according to the ratio which the portion of the year such building was not substantially complete or fit for use and occupancy bears to the entire year. With respect to any assessment made under this subsection after ~~[September]~~ March 1 of any year, the penalty for nonpayment by ~~[December]~~ June 5 shall be extended to ~~[February]~~ August 5 ~~[of the succeeding tax year]~~.

(b) All levies on buildings which are (i) razed, or (ii) destroyed or damaged by a fortuitous happening beyond the control of the owner shall be abated. No such abatement, however, shall be allowed if the destruction or damage to such building shall decrease the value thereof by less than \$500.00. Also, no such abatement shall be allowed unless the destruction or damage renders the building unfit for use and occupancy for 30 days or more during the calendar year. The tax on such razed, destroyed or damaged building is computed according to the ratio which the portion of the year the building was fit for use, occupancy and enjoyment bears to the entire year. Application for such abatement shall be made by or on behalf of the owner of the building within six months of the date on which the building was razed, destroyed or damaged.

Sec. 26-122. Time of making and entering assessment; notice of increase.

Every assessment of real estate shall be completed not later than ~~[December 31]~~ June 30 of the year immediately preceding the year for which such assessment is to be effective for tax purposes, and every parcel of real estate shall be entered separately upon a land book in the name and street address of the owner thereof ~~[or in the name of the owner of any interest therein. Every such entry shall show the nature of the estate, right, title or interest owned in such real estate]~~. In

cases where real property is owned by more than one person, the land book shall contain the name and street address of at least one of the owners. Whenever any such assessment is increased, the Assessor shall give written notice thereof to the owner of such real estate and of any interest therein by mailing such notice to the last known post office address of such owner, but the validity of such assessment shall not be affected by any failure to give or receive such notice.

Sec. 26-147. Generally

The form of the land books shall be prescribed by the Assessor. In preparing the land book, all real estate owned by the City shall be listed separately from all other property assessed. The Assessor shall, upon completion of each annual assessment, certify on the land book on oath that all real estate subject to taxation by the City has been assessed at the fair market value thereof and that there are no errors on the face of the land book. The original of each land book shall be in the Office of the Assessor, and no change or alteration in or addition to any entry appearing thereon shall be made unless authorized by law. There shall also be furnished to the State Department of Taxation such information respecting such assessments as it may require. One copy of the land book shall be delivered by the Assessor to the Collector by ~~[May]~~ October 1 of each year. One copy shall be filed with the Office of the Clerk of the Circuit Court of the City.

Sec. 26-203. Effective date of assessments.

Every annual assessment made by the Assessor shall be effective for tax purposes on January 1 of the tax year immediately after the year in which the assessment is completed, and taxes and other charges for the year shall be extended on the basis of every such assessment. The beginning of the tax ~~[and assessment]~~ year for the assessment of taxes on all real estate assessable by the City for taxation and other charges shall be January 1, and the owner of such real estate on that day shall be assessed with taxes and other charges for the year beginning on that day.

Sec. 26-230. Application to Assessor for ~~[hearings]~~ administrative reviews.

In order to equalize assessments of real estate, the Assessor shall hold ~~[hearings]~~ administrative reviews as often as may be necessary ~~[between August 1 and October 1]~~ in each year in which an assessment is completed for the purpose of receiving such evidence as may be presented by any taxpayer with respect to the inequality of the assessment made of the real estate owned by such taxpayer for that year. Any taxpayer aggrieved by such assessment of the taxpayer's property may apply to the Assessor for the equalization thereof on forms provided by the Assessor for the purpose.

Sec. 26-231. Notice of ~~[hearings]~~ administrative reviews.

~~[At least ten days before August 31 of each year in which an assessment is completed, notice shall be given by publication one time in one of the newspapers having general circulation in the City that the hearings referred to in Section 26-230 will be held at the place and on the days designated therein for the purpose of equalizing such assessments.]~~ A taxpayer may request an administrative review pursuant to Section 26-230 of the Code of the City of Richmond (2020) by applying to the City Assessor no later than 30 days after the reassessment notice sent pursuant to section 58.1-3330 of the Code of Virginia, as amended, is sent to the taxpayer. The City Assessor shall give notice of the deadline in such reassessment notice. A taxpayer who fails to request an administrative review by the deadline shall not receive one.

Sec. 26-232. Action after ~~[hearing]~~ administrative review; rule of evidence.

After ~~[hearing]~~ reviewing the evidence referred to in Section 26-230, the Assessor may take such action as deemed necessary regarding assessments and shall record the action taken in the land book; provided, however, that there shall be a clear presumption in favor of each

assessment, and the burden of proof shall be upon the taxpayer to show that such assessment is in excess of the fair market value of the real estate.

Sec. 26-233. Delegation of ~~[hearing]~~ administrative review to assistant; summary of evidence.

The Assessor may authorize persons employed in the Assessor's Office who are competent to do so to hold any ~~[hearing]~~ administrative review referred to in this division, provided the evidence presented or a summary thereof is transmitted to the Assessor for action with respect thereto.

Sec. 26-262. Notice to Assessor of new or remodeled buildings; assessment.

The Commissioner of Buildings shall notify the Assessor whenever erection of any new buildings or remodeling of existing structures is commenced within the City. Such new buildings and remodeled existing structures shall be assessed, whether entirely finished or not, at their fair market value on ~~[January]~~ July 1 of the year for which the assessment is made.

§ 5. That section 4 of this ordinance shall be in force and effect on July 1, 2026.

§ 6. That Chapter 26, Article III, Division 1 of the Code of the City of Richmond (2020) be and is hereby amended and reordained by **adding therein a new section** numbered 26-49 as follows:

Section 26-49. Effective Date of Assessments.

Pursuant to Va. Code § 58.1-3011, July 1 of each year shall be the effective date of assessments of real estate, except for public service corporation property, for real estate taxes levied pursuant to Article V, Division 2 of this Chapter. January 1 of each year shall be the effective date of assessments of public service corporation property for real estate taxes levied pursuant to Article V, Division 2 of this chapter and for tangible personal property and machinery

and tools for the Tangible Personal Property and Machinery and Tools taxes levied pursuant to Article V, Division 6 of this Chapter.

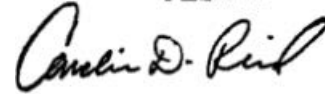
§ 7. That section 6 of this ordinance shall be in force and effect on July 1, 2026.

§ 8. This ordinance shall be in force and effect on July 1, 2024.

APPROVED AS TO FORM:

CITY ATTORNEY'S OFFICE

**A TRUE COPY:
TESTE:**

A handwritten signature in black ink, appearing to read "Carlin D. Rind".

City Clerk



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Master

File Number: Admin-2024-0342

File ID: Admin-2024-0342 Type: Request for Ordinance or Resolution Status: Regular Agenda

Version: 1 Reference: In Control: City Clerk Waiting Room

Department: Cost: File Created: 04/17/2024

Subject: Final Action:

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Attachments: Admin-2024-0342 WD - Code - Assessor Office AATF v.2 (002) FINAL Enactment Number:

Contact: Introduction Date:

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Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	4/22/2024	Sheila White	Approve	4/24/2024
1	2	4/23/2024	Meghan Brown	Approve	4/24/2024
1	3	4/24/2024	Sabrina Joy-Hogg	Approve	4/25/2024
1	4	4/30/2024	Lincoln Saunders	Approve	4/26/2024
1	5	5/6/2024	Mayor Stoney	Approve	5/2/2024

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File Admin-2024-0342

City of Richmond

Intracity Correspondence

O&R Transmittal

DATE: Tuesday, April 16, 2024

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

THROUGH: Sabrina Joy-Hogg, Deputy Chief Administrative Officer - Finance and Administration

THROUGH: Meghan Brown, Interim Director of Budget and Strategic Planning

FROM: Sheila White, Director of Finance

RE: Transitioning real estate assessment cycle to a fiscal year

ORD. OR RES. No.

PURPOSE: To amend Chapter 26, Article III - Assessment of Property for Taxation of the Code of Richmond to transition the City Assessor's annual real estate assessment cycle from a calendar year to a fiscal year.

BACKGROUND:

The City of Richmond's current assessment cycle functions on a calendar year as governed by Chapter 26, Article III - Assessment of Property for Taxation of the Code of Richmond. The timing of the current assessment is misaligned to other processes of the city including budget revenue projection and real estate tax billing which can create challenges not only for city administration, but for taxpayers as well.

Members of the City's Finance and Administration Portfolio worked with the City Assessor and City Attorney's Offices to identify potential improvements to real estate billing and assessment cycles that would provide more informed budget estimates for the following fiscal year without impacting cash flow. Numerous alternatives to shifting the Assessor's cycle were explored but ultimately were found to either be legally problematic or financially imprudent.

However, as the Assessor's Office is currently in the process of implementing a new Computer Aided Mass Appraisal (CAMA) system, there is a unique opportunity to alter the cycle to a fiscal year basis which provides multiple areas of benefit:

- Provides additional months of actual sales data to build future fiscal year budget revenue projections.
- Informs real estate taxpayers with additional time between reassessment notification and real estate tax billing due dates, allowing taxpayers more time to plan expenses.
- Allows the CAMA file to be provided to the Department of Finance earlier which will allow for earlier real estate tax billings relative to due dates.

To accomplish this transition the following approach is recommended by this legislative request:

1. Place in effect a one-time, biennial assessment, to use January 1, 2026 assessment values as the basis of billing/collection for tax years 2026 *and* 2027.
2. Move the reassessment cycle to a fiscal year basis, so that the land book reflecting the first fiscal year assessment will be effective July 1, 2027, for fiscal year/tax year 2028.
3. Execute future assessment cycles on a fiscal year basis.

A one-time, biennial assessment will impact projected real estate revenues in the general fund for the FY 2027 budget; however, this revenue gap will be rectified by the first fiscal year reassessment to be billed in tax year 2028. A joint effort between the Department of Finance, City Assessor's Office, and Office of Strategic Communications will be undertaken to notify taxpayers of these changes should the legislation be adopted.

The proposed legislation amends Article III - Assessment of Property for Taxation relative to the fiscal year cycle as it relates to the Assessor's notification, equalization of assessment, required reporting, and other processes to sync with the shift.

COMMUNITY ENGAGEMENT:

The Assessor's Office, in coordination with the Department of Finance, will work with the Office of Strategic Communications to provide ample notice and explanation of the change (web-based notification, inserts to future assessment notifications, real estate tax bills, media outlets, etc.).

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL:

N/A

FISCAL IMPACT:

Will defer real estate revenue growth for the FY 2027 budget to the FY 2028 budget due to single time biennial assessment.

DESIRED EFFECTIVE DATE:

Effective July 1, 2024, to implement one-time biennial transition in 2026-2027 with the first fiscal year reassessment beginning July 1, 2026, and effective July 1, 2027, and on.

REQUESTED INTRODUCTION DATE:

Monday, May 13, 2024 City Council Meeting

CITY COUNCIL PUBLIC HEARING DATE:

Monday, May 28, 2024 City Council Meeting

REQUESTED AGENDA:

Regular Agenda

RECOMMENDED COUNCIL COMMITTEE:

Thursday, May 16, 2024 Finance and Economic Development Standing Committee Meeting

AFFECTED AGENCIES:

- City Assessor's Office
- Department of Budget and Strategic Planning
- Department of Finance
- Office of Strategic Communications

RELATIONSHIP TO EXISTING ORD. OR RES.:

- ORD. 2010 092-105

ATTACHMENTS:

- N/A

STAFF:

- Richie McKeithen, City Assessor - City Assessor's Office (x5304)
- Louisa Meyer, Senior Policy Advisor - Finance and Administration Portfolio (x3856)
- Jeff Crawford, Program and Operations Manager - Department of Finance (x3056)