

INTRODUCED: October 15, 2024

AN ORDINANCE No. 2024-276

To return surplus real estate tax revenues to taxpayers pursuant to Va. Code § 15.2-2511.1.

Patrons – Mayor Stoney, President Nye, Vice President Lambert, Ms. Jordan,  
Ms. Robertson, Ms. Lynch, Ms. Trammell, Ms. Newbille and Ms. Jones

Approved as to form and legality  
by the City Attorney

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

WHEREAS, section 15.2-2511.1 of the Code of Virginia (1950), as amended, authorizes the Council of the City of Richmond to adopt an ordinance to develop a method for returning surplus real . . . property tax revenues . . . to taxpayers who are assessed such taxes in any fiscal year in which the [City] reports a surplus;” and

WHEREAS, the Council, by Ordinance No. 2024-275, adopted November 12, 2024, created the 2024 Real Estate Tax Relief Reserve composed of surplus revenues collected in the fiscal year commencing July 1, 2023, and ending June 30, 2024, up to \$16,000,000.00, and, by Ordinance No. 2024-277, adopted November 12, 2024, appropriated such funds for the purpose of making payments under this ordinance; and

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

ADOPTED: NOV 12 2024 REJECTED: \_\_\_\_\_ STRICKEN: \_\_\_\_\_

WHEREAS, the Council desires to provide a method for returning surplus real property tax revenues to taxpayers who are assessed such taxes in 2024;

NOW, THEREFORE,

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That

(a) **Definitions.** For the purpose of this ordinance, these words, terms, and phrases, when used in this ordinance, have the meanings ascribed to them as follows:

(1) *Eligible Property.* “Eligible Property” means a parcel of real estate separately assessed for real estate taxes by the City on January 1, 2024, provided that the term “Eligible Property” does not include any parcel of real estate that is entirely exempt from real estate taxation or for which no tax bill would otherwise be issued.

(2) *Eligible Taxpayer.* “Eligible Taxpayer” means the person or persons listed as the owner of an Eligible Property in the 2024 records of the City Assessor as of January 1, 2024.

(b) **Amount of Payment.** For each Eligible Property, the Director of Finance shall pay the Eligible Taxpayer \$0.04 for every \$100.00 of the assessed value of the Eligible Property on January 1, 2025, after the application of any partial exemption pursuant to Chapter 26, Article V, Divisions 3, 4, 10, or 11 of the Code of the City of Richmond (2020), as amended.

(c) **Method of Payment.**

(1) *Generally.* Only one payment will be made for each Eligible Property, regardless of the number of persons who are listed as the Eligible Taxpayer for the Eligible Property. Payments under this ordinance will be made by check or credit, as described in this subsection (c).

(2) *Payments by Check.* Except as otherwise provided by this ordinance, the Director of Finance shall mail to each Eligible Taxpayer a bank check payable to the Eligible Taxpayer. The Director of Finance shall mail all checks no later than March 31, 2025.

(3) *Payments of Less Than \$30.00 as a Credit.* If the payment due is less than \$30.00, the Director of Finance may apply the payment as a credit on the next real estate tax bill for the Eligible Property in lieu of issuing a check. The Director of Finance shall apply the credits prior to the calculation and distribution of 2025 second-half real estate bills.

(4) *Payments for Delinquent Accounts.* For any Eligible Taxpayer for which real estate taxes are delinquent or penalties or interest are owed, the Director of Finance may apply the payment due under this ordinance against any such delinquent taxes, penalties, and interest and pay any remainder as a credit on the next real estate tax bill for the Eligible Property.

(5) *Lost, Damaged, Void, or Otherwise Invalid Checks.* For any check issued under this ordinance that is lost, damaged, void, or invalid for any reason, the Director of Finance may choose to either issue a replacement check to the Eligible Taxpayer or record a credit on the next real estate tax bill for the Eligible Property.

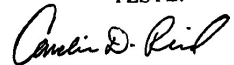
(6) *Source of Payments.* All payments under this ordinance will be made solely from fund balances resulting from surplus revenue appropriated for that purpose.

§ 2. This ordinance shall be in force and effect upon adoption and shall expire at the last moment of June 30, 2025.

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY'S OFFICE

A TRUE COPY:  
TESTE:



City Clerk



# City of Richmond

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

## Master

File Number: Admin-2024-1327

File ID: Admin-2024-1327

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

Reference:

In Control: City Clerk Waiting Room

Department:

Cost:

File Created: 10/11/2024

Subject:

Final Action:

Title: Return of a One-Time Four-Cent Rebate to Real Estate Taxpayers.

### Internal Notes:

### Code Sections:

Agenda Date: 10/15/2024

Indexes:

Agenda Number:

Patron(s):

Enactment Date:

Attachments: ORD. 2024-1327: WD Ord.-Return of .04 cent Rebate to Taxpayers - AATF

Enactment Number:

Contact:

Introduction Date:

Drafter:

Effective Date:

Related Files:

### Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	10/15/2024	Sheila White	Approve	10/16/2024
1	2	10/15/2024	Meghan Brown - FYI	Notified - FYI	
1	3	10/15/2024	Sabrina Joy-Hogg	Approve	10/17/2024
1	4	10/15/2024	Lincoln Saunders	Approve	10/17/2024
1	5	10/15/2024	Mayor Stoney	Approve	10/17/2024

### History of Legislative File

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

**Text of Legislative File Admin-2024-1327**

**Title**

Return of a One-Time Four-Cent Rebate to Real Estate Taxpayers.

**Body**

**O & R Request**

**DATE:** October 1, 2024 **EDITION:** 2

**TO:** The Honorable Members of City Council

**THROUGH:** The Honorable Levar M. Stoney, Mayor

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

**THROUGH:** Sabrina B. Joy-Hogg, Senior Deputy Chief Administrative Officer, Finance and Administration

**THROUGH:** Sheila White; Director of Finance

**FROM:** Meghan K. Brown; Director of Budget & Strategic Planning

**RE:** Return of a One-Time Four-Cent Rebate to Real Estate Taxpayers

**PURPOSE:** To adopt an ordinance to return up to \$16,000,000 of the Fiscal Year 2024 General Fund surplus, notwithstanding the applicable provisions of City Code, to real estate taxpayers through a one-time, four-cent rebate.

**BACKGROUND:** City residents have expressed concern with the increased real estate tax assessments. In response to these concerns, City Council has proposed ordinances to decrease the real estate tax rate by four cents.

The City Administration recommends adopting an ordinance to return up to \$16,000,000 of the Fiscal Year 2024 General Fund surplus, notwithstanding the applicable provisions of City Code, to provide a one-time, four-cent rebate. This rebate is recommended as an alternative to a permanent change to the tax rate, which is not recommended.

In addition to the creation of this ordinance to create a one-time four-cent rebate, several other ordinances will be created to support funding said rebate and other tax-relief-based programs:

- An ordinance to create a new reservation of fund balance called the 2024 Real Estate Tax Relief Reserve, intended to be categorized as an assigned fund balance and used to return surplus real property tax revenues to taxpayers through a one-time, four-cent rebate.

- An ordinance to amend to appropriate up to \$16,000,000 of the Fiscal Year 2024 General Fund Surplus to a central appropriations line item administered by the Department of Finance to fund the return of surplus payments to provide real estate tax relief through a one-time, four-cent rebate.
- An ordinance to amend to amend Ord. No. 2024-099, adopted May 9, 2022, which adopted the Fiscal Year 2024-2025 General Fund Budget and made appropriations pursuant thereto, to (i) reappropriate \$16,000,000.00 of the Fiscal Year 2023-2024 fund balance excess assigned to the 2024 Real Estate Tax Relief Reserve established by Ord. No. 2024-XXX, adopted XXX, (ii) create a new line item entitled “Real Estate Tax Relief - Department of Finance” in the Central Appropriations budget, and (iii) appropriate such \$16,000,000.00 to such new line item in the Central Appropriations budget, for the purpose of returning surplus real property tax revenue to real estate taxpayers in the city of Richmond pursuant to Va. Code § 15.2-2511.1 through a one-time, four-cent rebate.
- An ordinance to amend to amend and reordain City Code §§ Sec. 26-364. - Tax relief for elderly persons; evaluation of exemption or freeze program. and Sec. 26-365. - Real estate tax relief for qualified permanently and totally disabled; evaluation of exemption or freeze program for the purpose of increasing income requirements, financial net worth requirements, and calculated benefit of the Older Adults and Persons with Disabilities (OAPD) Real Estate Tax Freeze Program.
- An ordinance to amend Ord. No. 2024-099, adopted May 13, 2024, which adopted the Fiscal Year 2024-2025 General Fund Budget and made appropriations pursuant thereto, by increasing estimated revenues from real estate taxes by \$12,000,000.00 and appropriating those increased estimated revenues in new line items within the Central Appropriations budget and various departments.

**COMMUNITY ENGAGEMENT:** N/A

**STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL:** N/A

**FISCAL IMPACT:** Up to \$16,000,000.00 impact from FY 2024 surplus funds.

**DESIRED EFFECTIVE DATE:** Upon adoption

**REQUESTED INTRODUCTION DATE:** October 15, 2024

**CITY COUNCIL PUBLIC HEARING DATE:** November 12, 2024

**REQUESTED AGENDA:** Regular

**RECOMMENDED COUNCIL COMMITTEE:** Organizational Development Standing Committee (October 28, 2024)

**AFFECTED AGENCIES:** Budget & Strategic Planning, Department of Finance

**RELATIONSHIP TO EXISTING ORD. OR RES.:**

- **Ordinance No. 2024-222:** To amend and reordain City Code § 26-355, concerning the levy of tax on real estate, to establish a tax rate of \$1.16 for the tax year beginning Jan. 1, 2025, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.136 as computed in accordance with Va. Code § 58.1-3321(a).
- **Ordinance No. 2024-223:** 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, 2025, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.136 as computed in accordance with Va. Code § 58.1-3321(a)

**ATTACHMENTS:** None

**STAFF:** Louisa Meyer, Senior Policy Advisor, Finance and Administration