

INTRODUCED: November 10, 2025

A RESOLUTION No. 2025-R050

As Amended

To request that the Mayor (i) propose an annual budget for Fiscal Year ~~[2026-2027]~~ 2027-2028 that recommends a real estate tax levy of \$1.16 per \$100 of assessed value as a means of tax relief for residents who pay real estate taxes and as affirmation of the City’s commitment to live within its fiscal means, and (ii) provide estimates of additional revenue and planned expenditures if the real estate tax levy for Fiscal Year 2027-2028 were \$1.20 per \$100 of assessed value.

Patrons – Ms. Lynch, Ms. Trammell and Ms. Abubaker

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: DEC 8 2025 AT 6 P.M.

WHEREAS, Article X, Section 2 of the Constitution of Virginia requires local governments to assess real estate at fair market value; and

WHEREAS, the City of Richmond has not changed its real estate tax levy since 2008, in contrast to its geographic peers; and

WHEREAS, Code of Virginia § 58.1-3321 includes provisions for setting real estate tax levies such that local revenue growth from real estate taxes is limited to one percent year over year (the “rollback rate”) unless the Council takes affirmative action to adopt a different rate, with the

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: FEB 9 2026 REJECTED: _____ STRICKEN: _____

most recent “rollback rate” calculated for the city of Richmond being nearly six cents lower than the longstanding levy of \$1.20 per \$100 in assessed value; and

WHEREAS, total taxable real estate values within the city of Richmond recorded by the City Assessor have increased substantially, with growth in the total real estate tax base from approximately \$22.7 billion in tax year 2018 to \$41.2 billion in tax year 2025, an increase of 81 percent; and

WHEREAS, residential property values within the city of Richmond have increased even more substantially, with growth in the residential real estate tax base from approximately \$12.6 billion in tax year 2018 to \$23.5 billion in tax year 2025, an increase of 86.5 percent; and

WHEREAS, median household income in the city of Richmond has grown more modestly than home values, from \$48,747 in 2018 to \$64,903 in 2023, the most recent year for which United States Census Bureau data is available, an increase of 33 percent; and

WHEREAS, the Annual Comprehensive Financial Reports for the City of Richmond show that growth in real estate tax revenue (47 percent), and total General Fund expenditures (46 percent), since the fiscal year commencing July 1, 2019, and ending June 30, 2020, have both outpaced growth in total City tax revenues (37 percent) and total General Fund revenues (36 percent); and

WHEREAS, it is the Council’s belief that current and projected housing market conditions in the city of Richmond allow for moderation of the growth of real estate tax bills and revenues without forgoing revenue growth altogether; and

WHEREAS, the Council is of the opinion that slowing the growth in real estate tax bills and City expenditures are actions consistent with the principles that the City should be mindful of the burden placed upon taxpayers and committed to live within its fiscal means; and

WHEREAS, pursuant to section 6.02 of the Charter of the City of Richmond (2020), as amended, the Mayor is responsible for submitting the annual budget to the Council and, in the estimation of the Council, must assume a specific real estate levy to build that budget, because approximately 57 percent of the City's revenue comes from general property taxes and real estate tax revenue comprises the single largest source of local revenue in the General Fund; and

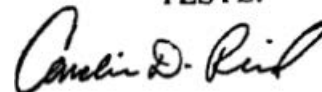
WHEREAS, the Council believes that it is in the best interests of the citizens of the City of Richmond that the Council request that the Mayor propose an annual budget for the fiscal year commencing July 1, ~~[2026]~~ 2027, and ending June 30, ~~[2027]~~ 2028, that recommends a real estate tax levy of \$1.16 per \$100 of assessed value as a means of tax relief for residents who pay real estate taxes and as affirmation of the City's commitment to live within its fiscal means, along with estimates of additional revenue and planned expenditures if the real estate tax levy for the annual budget for the fiscal year commencing July 1, 2027, and ending June 30, 2028, remained at the current levy of \$1.20 per \$100 of assessed value;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That the Council hereby requests that the Mayor (i) propose an annual budget for the fiscal year commencing July 1, ~~[2026]~~ 2027, and ending June 30, ~~[2027]~~ 2028, that recommends a real estate tax levy of \$1.16 per \$100 of assessed value as a means of tax relief for residents who pay real estate taxes and as affirmation of the City's commitment to live within its fiscal means, and (ii) provide estimates of additional revenue and planned expenditures if the real estate tax levy for the annual budget for the fiscal year commencing July 1, 2027, and ending June 30, 2028, remained at the current levy of \$1.20 per \$100 of assessed value.

A TRUE COPY:
TESTE:



City Clerk

DATE: November 10, 2025
TO: The Honorable Members of City Council
THROUGH: RJ Warren, Council Chief of Staff
THROUGH: Maria Garnett, Council Policy Analyst
FROM: The Honorable Stephanie Lynch, Councilmember 5th District
RE: To request that the Mayor cause the proposed City budget for Fiscal Year 2027 to assume a real estate tax levy of \$1.16 per \$100 of assessed value as a means of tax relief for residents who pay real estate taxes and as affirmation of the City's commitment to live within its fiscal means.

CNL-2025-0052

PURPOSE: This ordinance seeks to provide tax relief for residents who pay real estate taxes and, by slowing the growth in real estate tax bills and revenue expectations for the City's coffers, affirm the City's commitment to fiscal responsibility.

BACKGROUND: Following an extended public and intergovernmental conversation about whether to lower the City of Richmond's property tax levy for the first time in nearly two decades, this resolution seeks to resolve the core problem of lowering expected revenues in the middle of a budget year by using the lower levy at the outset of the budget process. As noted in the resolution, Richmond's strong housing market and associated increase in home values mean that lowering the real estate tax *levy* can have the expected effect of *slowing* growth in tax bills and revenues from real estate taxes without eliminating growth altogether or causing substantial drops in revenue compared to the prior year. Building a budget on a levy of \$1.16 per \$100 in assessed value rather than \$1.20 will encourage fiscal discipline, including concerted pursuit of delinquent taxes across all categories, and help to improve public trust. Further, the issue of affordability is so dire for Richmond residents that this belt-tightening should occur as soon as possible (Fiscal Year 2027) to help prevent imminent displacement and smooth tax bills between FY27 and FY28, when property values will be assessed for the first time in two years.

COMMUNITY ENGAGEMENT: This resolution is informed by increasing requests – from a variety of constituent backgrounds and experiences – for the City to do as much as it can to help lower the cost of living and the cost of housing specifically. It also provides a direct response to the growing sense among the public that the City has not been exercising fiscal restraint.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: This resolution is consistent with the Mayor’s stated commitment to prioritizing housing affordability and also with the definition of the “Thriving City Hall” pillar: “...a model public-sector organization that stewards resources effectively, meets community needs, and has the trust of residents.”

FISCAL IMPACT: May result in slight reduction in estimated revenue from real estate taxes for FY27 compared to FY26 (up to approximately \$17 million, all else equal, as stated by the Administration during the real estate tax levy debate), but that does not generate a within-year fiscal impact.

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: November 10, 2025

CITY COUNCIL PUBLIC HEARING DATE: December 8, 2025

RECOMMENDED COUNCIL COMMITTEE: Finance and Economic Development

AFFECTED AGENCIES: Office of the Mayor
Office of the Chief Administrative Officer
Department of Budget and Strategic Planning
Department of Finance

RELATIONSHIP TO EXISTING ORD. OR RES.: None

ATTACHMENTS: Underlying Data for CNL-2025-0052

STAFF: Maria Garnett, Council Policy Analyst, (804) 298-5052



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Date: November 10, 2025
To: RJ Warren, Council Chief of Staff
Will Perkins, Senior Legislative Services Manager
From: Maria Garnett, Council Policy Analyst
Re: Data referenced in resolution CNL-2025-0052

RJ and Will:

This document serves as an attachment to the resolution titled CNL-2025-0052 and contains referenced data and analysis, organized by clause.

- WHEREAS, the City of Richmond has not changed its real estate tax levy since 2008, in contrast to its geographic peers ([SOURCE: Annual Comprehensive Financial Reports for largest geographic peers](#))
 - Henrico County: Reduction from \$0.87 to \$0.85 per \$100 in assessed value in tax year 2022 (page 189 of ACFR for FY2024)
 - Chesterfield County: Reduction from \$0.95 to \$0.92 per \$100 in assessed value in tax year 2022 and another reduction to \$0.91 in tax year 2024 (page 263 of ACFR for FY2024)
- WHEREAS, total taxable real estate values within the City of Richmond recorded by the City Assessor have increased substantially, with growth in the total real estate tax base from approximately \$22.7 billion in tax year 2018 to \$41.2 billion in tax year 2025, an increase of 81 percent ([SOURCE: Office of the City Assessor](#))
 - Calculation of percent change conducted by OCCOS staff using land book data provided by the City Assessor
- WHEREAS, residential property values within the City of Richmond have increased even more substantially, with growth in the residential real estate tax base from approximately \$12.6 billion in tax year 2018 to \$23.5 billion in tax year 2025, an increase of 86.5 percent ([SOURCE: Office of the City Assessor](#))
 - Calculation of percent change conducted by OCCOS staff using land book data provided by the City Assessor
- WHEREAS, median household income in the City of Richmond has grown much more modestly than home values, from \$48,747 in 2018 to \$64,903 in 2023, the most recent year for which United States Census Bureau data is available, an increase of 33 percent ([SOURCE: U.S. Census Bureau, Estimate of Median Household Income for Richmond City,](#)

VA [MHIVA51760A052NCEN], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MHIVA51760A052NCEN>, October 16, 2025.)

- Calculation of percent change conducted by OCCOS staff
- WHEREAS, the Annual Comprehensive Financial Reports for the City of Richmond show that growth in real estate tax revenue (47 percent) and total General Fund expenditures (46 percent), since the fiscal year commencing July 1, 2019, and ending June 30, 2020, have both outpaced growth in total City tax revenues (37 percent) and total General Fund revenues (36 percent) (SOURCE: City of Richmond, Department of Finance, Reports, Annual Comprehensive Financial Reports)
 - Calculation of percent changes conducted by OCCOS staff using ACFR data, not adjusted for inflation