

INTRODUCED: March 6, 2019

AN ORDINANCE No. 2019-058

To amend and reordain City Code § 26-355, concerning the levy of tax on real estate, to increase the real estate tax rate from \$1.20 to \$1.29 for every \$100 of assessed value of real estate for the tax year beginning Jan. 1, 2020.

\_\_\_\_\_  
Patron – Mayor Stoney

\_\_\_\_\_  
Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: APR 22 2019 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That section 26-355 of the Code of the City of Richmond (2015) be and hereby is **amended** and reordained 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 one dollar and [~~twenty cents (\$1.20)~~] twenty-nine cents (\$1.29) for the tax year beginning January 1, [~~2019~~] 2020, and for each year thereafter, until otherwise provided by law or ordinance, for each one hundred dollars (\$100) of assessed evaluation thereof for general purposes.

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

ADOPTED: \_\_\_\_\_ REJECTED: \_\_\_\_\_ STRICKEN:      MAY 13 2019

§ 2. This ordinance shall be in force and effect as of January 1, 2020.



CITY OF RICHMOND
INTRACITY CORRESPONDENCE

O & R REQUEST
4-8640
FEB 28 2019

Office of the
Chief Administrative Officer

O&R REQUEST

DATE: February 21, 2019 EDITION: 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor [Signature] 3/1/19

THROUGH: Selena Cuffee-Glenn, Chief Administrative Officer [Signature]

THROUGH: Lenora G. Reid, Deputy CAO, Finance and Administration [Signature] LGP

THROUGH: Jay A. Brown, Director of Budget & Strategic Planning [Signature]

FROM: John B. Wack, Director of Finance [Signature]

RE: Proposed Increase of the Real Estate Tax Rate for Tax Year 2020

ORD. OR RES. No. \_\_\_\_\_

PURPOSE: To amend City Code, concerning the real estate tax rate, to increase the real estate tax rate from \$1.20 per \$100 of assessed value to \$1.29 per \$100 of assessed value for the tax year beginning January 1, 2020.

REASON: Based on the budgetary challenges facing the City, numerous requests for additional local funding, and a lack of significant additional revenue growth, the City Administration proposes a nine cent increase in the real estate tax rate to help fund shared municipal priorities such as schools, public safety, and critical infrastructure.

RECOMMENDATION: The City Administration recommends approval.

BACKGROUND: As noted in the attachment, the City of Richmond's real estate tax rate per \$100 of assessed value has been \$1.20 since 2008, but was \$1.43 as recently as 2000, and \$1.53 as recently as 1989. Real estate taxes make up the largest source of recurring general fund revenues and have shown to be a dependable growing source as many other major revenue sources have remained stagnant or have only grown marginally.

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OFFICE OF CITY ATTORNEY

In order to fund the priorities of the FY2020 Proposed general fund budget, the City Administration requests that the real estate tax rate be increased to \$1.29 for Tax Year 2020. Using taxable assess values provided by the City Assessor this month and applying a 97% collection rate, each penny of the real estate tax rate generates approximately \$2.35 million in FY2020 general fund revenue.

**FISCAL IMPACT / COST:** Increasing the real estate tax rate isn't expected to lead to significant additional administrative costs, other than a proportional increase in Tax Relief for the Elderly and Disabled.

**FISCAL IMPLICATIONS:** This will increase recurring general fund revenues to help support the priorities outlined in the FY2020 Proposed budget and beyond.

**BUDGET AMENDMENT NECESSARY:** Will be incorporated into the FY2020 Proposed general fund budget.

**REVENUE TO CITY:** Approximately \$21,186,000 in FY2020.

**DESIRED EFFECTIVE DATE:** January 1, 2020

**REQUESTED INTRODUCTION DATE:** March 6, 2019

**CITY COUNCIL PUBLIC HEARING DATE:** April 22, 2019

**REQUESTED AGENDA:** Regular

**RECOMMENDED COUNCIL COMMITTEE:** Organizational Development

**CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES:** None

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

**RELATIONSHIP TO EXISTING ORD. OR RES.:** N/A

**REQUIRED CHANGES TO WORK PROGRAM(S):** N/A

**ATTACHMENTS:** History of Richmond's Real Estate Tax Rate

**STAFF:** John Wack, Director of Finance 646-5776  
Sheila Rollerson, Budget Manager 646-6377

## **City of Richmond Real Estate Tax Rate (per \$100 of Assessed Value)**

<b>Tax Year</b>	<b>Tax Rate</b>
2008-2019	\$1.20
2007	\$1.23
2006	\$1.29
2005	\$1.33
2003-2004	\$1.37955
2002	\$1.38975
2001	\$1.41
1997-2000	\$1.43
1994-1996	\$1.445
1992-1993	\$1.45
1990-1991	\$1.46
1988-1989	\$1.53