

INTRODUCED: September 10, 2018

AN ORDINANCE No. 2018-235

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, 2019, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.129 as computed in accordance with Va. Code § 58.1-3321(a).

\_\_\_\_\_  
Patrons – President Hilbert and Ms. Robertson

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

PUBLIC HEARING: NOV 13 2018 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) for the tax year beginning January 1, [~~2018~~] 2019, and for each year thereafter, until otherwise provided by law or

AYES:                    8                    NOES:                    0                    ABSTAIN: \_\_\_\_\_

ADOPTED:    NOV 13 2018    REJECTED: \_\_\_\_\_    STRICKEN: \_\_\_\_\_

ordinance, for each one hundred dollars (\$100) of assessed evaluation thereof for general purposes.

§ 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 \$0.071 from the Rolled Back Tax Rate of \$1.129 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 \$1.129.

§ 4. This ordinance shall be in force and effect as of January 1, 2019.



# Richmond City Council

The Voice of the People

Richmond, Virginia

Lou Brown Ali  
Council Chief of Staff

Office of the Council Chief of Staff

RECEIVED

AUG 21 2018

## Ordinance/Resolution Request

OFFICE OF CITY ATTORNEY

**TO** Allen Jackson, City Attorney

**THROUGH** Lou Brown Ali, Council Chief of Staff *LB*

**FROM** Meghan Brown, Deputy Council Chief of Staff *MB*

**COPY** Chris A. Hilbert, 3<sup>rd</sup> District Council Member  
 Lisa F. Townes, 3<sup>rd</sup> District Liaison  
 Richie McKeithen, City Assessor  
 Haskell Brown, Deputy City Attorney

**DATE** August 21, 2018

**PAGE/s** 1 of 2

**TITLE** To Set the Tax Rate at \$1.20 Per \$100 of Assessed Value

This is a request for the drafting of an **Ordinance**  **Resolution**

**REQUESTING COUNCILMEMBER/PATRON**

President Hilbert

**SUGGESTED STANDING COMMITTEE**

Finance & Economic Development

### ORDINANCE/RESOLUTION SUMMARY

The patrons request an ordinance to amend City Code Section 98-121 to maintain the tax rate at \$1.20 per \$100 of Assessed Value, which is an increase from the "Rolled Back Tax Rate" of \$1.129.

### BACKGROUND

The City Assessor provided City Council with a report on the upcoming 2019 Land Book. With that notice it was indicated that the aggregate taxable base, is projected to increase by 7.3% to approximately \$24.4 billion. 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 \$2.4 million dollars in 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 patrons request 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 STATEMENT**

Fiscal Impact Yes  No

Budget Amendment Required Yes  No

Estimated Cost or Revenue Impact:

The adopted FY19 budget did take into account the increase in property assessments at the current \$1.20 tax rate. Each \$.01 of the tax rate generates approximately \$2,436,482.80 in revenue.

Attachment/s Yes  No

# CITY OF RICHMOND

## INTRACITY CORRESPONDENCE



**TO: Members of City Council**

**FROM: Richie McKeithen, City Assessor**

**DATE: August 20, 2018**

**REFERENCE: Required Public Hearing on 2019 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 10, 2018 or September 24, 2018 City Council Meeting.

Information provided to you earlier this year indicated that the growth in land book value for 2019, over the 2018 land book, was 7.3%. Below are actual numbers used to measure the % change as required by the "Rollback" Statue, the estimated land book number used during FY 2019 budget process, and the estimated total 2019 land book after new construction assessments are supplemented at the end of this calendar year.

Tax Year	Tax Base	Tax Rate	Projected Revenue	% Chg
2018*	\$22,710,883,000	\$1.20/\$100	\$272,530,596	
2019*	\$24,364,828,000	\$1.20/\$100	\$292,377,936	7.3

Other relative numbers:

2019**	\$23,230,177,815	\$1.20/\$100	\$278,762,134
2019***	\$24,514,828,000	\$1.20/\$100	\$294,177,936

If a public hearing is not held, state law requires the tax rate to "rollback" to \$1.129, which is the tax rate that produces no more than 1% revenue growth over the same calculation in 2018.

\* Represents actual numbers

\*\* Numbers used in the creation of the FY 2019 budget process

\*\*\* Final estimated 2019 land book totals and revenue after new construction assessments are supplemented