INTRODUCED: November 10, 2025

A RESOLUTION No. 2025-R050

To request that the Mayor propose an annual budget for Fiscal Year 2026-2027 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.

Patron – Ms. Lynch and Ms.Trammell

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 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

AYES:		NOES:		ABSTAIN:	
ADOPTED:		REJECTED:		STRICKEN:	

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, and ending June 30, 2027, 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;

NOW, THEREFORE,

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

That the Council hereby requests that the Mayor propose an annual budget for the fiscal year commencing July 1, 2026, and ending June 30, 2027, 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.