

INTRODUCED: September 28, 2020

AN ORDINANCE No. 2020-215

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, 2021, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.176 as computed in accordance with Va. Code § 58.1-3321(a).

Patron – President Newbille

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: NOV 9 2020 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 \$1.20 for the tax year beginning January 1, [~~2020~~] 2021, and for each year thereafter, until otherwise provided by law or ordinance, for each \$100.00 of assessed evaluation thereof for general purposes.

AYES: 6 NOES: 2 ABSTAIN: _____

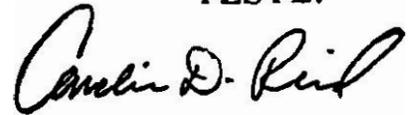
ADOPTED: NOV 9 2020 REJECTED: _____ STRICKEN: _____

§ 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 \$0.024 from the Rolled Back Tax Rate of \$1.176 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 \$1.176.

§ 4. This ordinance shall be in force and effect as of January 1, 2021.

**A TRUE COPY:
TESTE:**

A handwritten signature in black ink, appearing to read "Amelia D. Reed". The signature is written in a cursive style with a large initial 'A'.

City Clerk



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Council Ordinance/Resolution Request

TO Haskell C. Brown, III, Interim City Attorney

THROUGH Lawrence R. Anderson, Council Chief of Staff

FROM Meghan K. Brown, Deputy Council Chief of Staff

COPY Cynthia I. Newbille, President of the Council
Tabrica C. Rentz, Acting Deputy City Attorney
Sam Patterson, Liaison

DATE September 10, 2020

PAGE/s 1 of 1

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 Newbille

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 \$1.176.

BACKGROUND

The City Assessor provided City Council with a report on the upcoming 2021 Land Book. With that notice it was indicated that the aggregate taxable base, is projected to increase by 2.9% to approximately \$27.8 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 \$2.7 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 FY21 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 \$2,787,321 in revenue.

Attachment/s Yes No

Richmond City Council Ordinance/Resolution Request Form/Updated 1.10.2019/101

CITY OF RICHMOND

INTRACITY CORRESPONDENCE



TO: Members of City Council

FROM: Richie McKeithen, City Assessor

DATE: September 10, 2020

REFERENCE: Required Public Hearing on 2021 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 14, 2020 or September 28, 2020 City Council Meeting. The City Attorney's Office recommends that the real estate tax rate ordinance be introduced at the September 14, 2020 meeting to allow sufficient time for deliberation prior to adoption by no later than November 9, 2020.

The growth in land book value for Tax Year 2021, over the Tax Year 2020 land book, was 2.9%. Below are actual numbers used to measure the % change as required by the "Rollback" Statue, the estimated land book number used during FY 2021 budget process, and the estimated total 2021 land book value after new construction assessments are supplemented at the end of this calendar year.

Tax Year	Tax Base	Tax Rate	Projected Revenue	% Chg
2020*	\$27,062,644,000	\$1.20/\$100	\$324,751,758	
2021*	\$27,873,213,000	\$1.20/\$100	\$334,478,556	2.9
Other relative numbers:				
2019**	\$27,468,583,660	\$1.20/\$100	\$329,623,004	
2019***	\$27,942,896,033	\$1.20/\$100	\$335,314,752	

If a public hearing is not held, state law requires the tax rate to "rollback" to \$1.176, which is the tax rate that produces no more than 1% revenue growth over the same calculation in 2020.

- * Represents actual numbers
- ** Numbers used in the creation of the FY 2021 budget process
- *** Final estimated 2021 land book totals and revenue after new construction assessments are supplemented