

INTRODUCED: September 26, 2016

AN ORDINANCE No. 2016-257

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, 2017, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.18 as computed in accordance with Va. Code § 58.1-3321(a).

Patrons – President Mosby and Ms. Graziano

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: NOV 14 2016 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, [~~2016~~] 2017, and for each year thereafter, until otherwise provided by law or

AYES: 8 NOES: 0 ABSTAIN: _____

ADOPTED: NOV 14 2016 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 \$0.02 from the Rolled Back Tax Rate of \$1.18 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 \$1.18.

§ 4. This ordinance shall be in force and effect as of January 1, 2017.



Richmond City Council

The Voice of the People

Richmond, Virginia

Lou Brown All
Council Chief of Staff

Office of the Council Chief of Staff

Ordinance/Resolution Request

TO Allen Jackson, City Attorney

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

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

COPY Michelle R. Mosby, 9th District Council Member
 Kathy Graziano, 4th District Council Member
 Uzziah A. Harris, 9th District Liaison
 Timothy E. Grimes, 4th District Liaison
 Melvin Bloomfield, Deputy City Assessor
 Haskell Brown, Deputy City Attorney

DATE September 15, 2016

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

RECEIVED

SEP 15 2016

OFFICE OF CITY ATTORNEY

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

REQUESTING COUNCILMEMBER/PATRON

President Mosby
Councilwoman Graziano

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 \$1.18.

BACKGROUND

The Deputy City Assessor provided City Council with a report on the upcoming 2017 Land Book. With that notice it was indicated that the aggregate taxable base, is projected to increase by 3.07% to approximately \$21.5 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 \$2.15 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 STATEMENTFiscal Impact Yes No Budget Amendment Required Yes No

Estimated Cost or Revenue Impact:

Depending on the tax rate selected the City will either realize additional or a reduction in revenue. The adopted FY17 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 \$2,152,308.90 in revenue.

Attachment/s Yes No

CITY OF RICHMOND

INTRACITY CORRESPONDENCE



TO: Members of City Council
FR: Mel Bloomfield, Deputy City Assessor
DA: September 12, 2016
RE: Required Public Hearing on 2017 Proposed Roll Back Tax Rate

The City Attorney's Office has indicated that the language of VA Code § 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 26, 2016 or the October 10, 2016 City Council Meeting.

Information provided earlier this year stated that the growth in land book value for 2017, over the 2016 land book, was 3.07%. Below are actual numbers used to measure the % change as required by the "Rollback" Statute, the estimated land book number used during the FY2017 budget process, and the estimated total 2017 land book after new construction assessments are supplemented at the end of this calendar year:

<u>Tax Year</u>	<u>Tax Base</u>	<u>Tax Rate</u>	<u>Projected Revenue</u>	<u>%Chg</u>
2016*	\$20,881,840,000	\$1.20/\$100.	\$250,582,080	
2017*	\$21,523,089,000	\$1.20/\$100.	\$258,277,068	3.07%
Other relative numbers:				
2017**	\$21,508,295,200	\$1.20/\$100.	\$258,099,542	
2017***	\$21,556,762,200	\$1.20/\$100.	\$258,681,144	

If a public hearing is not held, state law requires the tax rate to "rollback" to \$1.18, which is the tax rate that produces no more than 1% revenue growth over the same calculation in 2016.

- * Represents actual numbers
- ** Estimated Numbers used in the creation of the FY2017 budget process
- *** Proposed Final 2017 land book totals and revenue after new construction assessments are supplemented.