#### A RESOLUTION No. 2019-R009

To establish a policy that the City Council intends to appropriate the greater of 55.4 percent of estimated receipts from real estate taxes or the percentage of estimated receipts from real estate taxes reflected in the adopted Fiscal Year 2019-2020 General Fund Budget annually for school operating expenses subject to certain conditions.

Patrons - All Members of Council

Approved as to form and legality by the City Attorney

## PUBLIC HEARING: MAR 25 2019 AT 6 P.M.

WHEREAS, the City Council of the City of Richmond (the "Council") believes that it is in the best interests of the citizens of the City of Richmond (the "City") that the Council establish a policy that the Council intends to appropriate a specified percentage of estimated receipts from real estate taxes annually for the operating expenses of the school division (the "School Operating Expenses") operated by the School Board of the City of Richmond (the "School Board") subject to certain conditions;

### NOW, THEREFORE,

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

AYES:	9	NOES:	0	ABSTAIN:	
ADOPTED:	IAR 25 2019	REJECTED:		STRICKEN:	

That the Council intends to appropriate annually to the School Board funds in an amount equal to the greater of (i) 55.4 percent of the City's estimated receipts from real estate taxes or (ii) the percentage of estimated receipts from real estate taxes reflected in the adopted General Fund Budget for the fiscal year commencing July 1, 2019, and ending June 30, 2020, provided that the City and the School Board first agree to a memorandum of understanding (the "Memorandum of Understanding"), approved by the Council and the School Board, that (a) sets forth the Council's intent to appropriate the percentage of estimated receipts from real estate taxes specified in this resolution annually, (b) sets forth the School Board's agreement, to the extent permitted by law, that the School Board will use such appropriations solely for the School Operating Expenses, and (c) provides for the reevaluation every three years following the agreement by the City and the School Board to the Memorandum of Understanding of the percentage of estimated receipts from real estate taxes that the Council intends to appropriate to the School Board to the Memorandum of Understanding of the percentage of estimated receipts from real estate taxes that the Council intends to appropriate to the School Board for the School Operating Expenses.



# Richmond City Council

Office of the Council Chief of Staff CEI Ordinance/Resolution Reque FEB 1 5 2019 TO Allen Jackson, Richmond City Attorney Richmond Office of the City Attorney OFFICE OF CITY ATTORNEY NUB Meghan K. Brown THROUGH Interim Council Chief of Staff FROM William E. Echelberger, Jr, Council Budget Analyst Kristen Nye Larson, 4th District Representative COPY Haskell Brown, Deputy City Attorney Bryce H. Lyle, 4th District Council Liaison DATE February 14, 2019 PAGE/s 1 of 2 TITLE Policy on Real Estate Tax for Schools This is a request for the drafting of an Ordinance Resolution 🕅

## REQUESTING COUNCILMEMBER/PATRON

SUGGESTED STANDING COMMITTEE

Kristen Nye Larson, 4<sup>th</sup> District Representative

Finance and Economic Development

# ORDINANCE/RESOLUTION SUMMARY

The Patron requests a resolution to establish a policy that:

- Dedicates 55.4 percent of the City's Current and Delinquent Real Estate Tax Revenues, as
  estimated in the proposed General Fund Operating Budget, or the percentage of such
  revenue included in the Adopted FY20 budget, whichever is higher, to operation of
  Richmond Public Schools and for every year thereafter.
- Requires that this share of Real Estate Tax Revenues shall be used for no other purpose than the operation of Richmond Public Schools.
- Requires that the City of Richmond and Richmond Public Schools develop a memorandum of understanding that recognizes this dedication of revenues and the restrictions thereon.
- City Council should propose an amendment to the General Fund Budget to reflect an increase or decrease in estimated Real Estate Tax Revenues that occurs after the introduction, but before adoption, of the budget.
- The percentage of the City's Current and Delinquent Real Estate Tax Revenues to operation of Richmond Public Schools shall be reevaluated every three years.

#### BACKGROUND

**Summary:** This resolution establishes a policy of City Council that dedicates a fixed percentage of the City's Real Estate Tax Revenues for operation of Richmond Public Schools. Such dedication of revenues will provide a stable and predictable source of operating support for public education in the City.

- The Approved FY 2020 Budget includes \$156,675,638 for support of public education, this
  represents 55.4% of the projected current and delinquent City Real Estate Tax Revenues.
- Estimated Real Estate Tax Revenues included in the FY 2020 Approved Budget are \$282,832,263. The required 55.4% share of the City's FY 2020 Current and Delinquent Real Estate Tax Revenues is estimated at \$156,675,638.
- Growth in FY 20 projected Real Estate Tax revenues in the FY 20 proposed budget will yield a higher value.

**Fiscal Impact:** This resolution establishes a policy of City Council that dedicates a fixed percentage of the City's Real Estate Tax Revenues for operation of Richmond Public Schools. For FY 2020 the approved budget amount is estimated at \$156,675,638. This does not include: 1) the State Sales Tax for Education, which is appropriated by the Commonwealth under the Standards of Quality, or 2) debt service on school capital facilities paid by the City.

#### **FISCAL IMPACT STATEMENT**

Fiscal Impact	Yes 🛛	No 🗌	2				
Budget Amendment Required	Yes 🗌	No 🛛					
Estimated Cost or Revenue Impact If the policy is established and adhered to, based on the approved revenue estimates, an amount estimated at \$156,675,638, 55.4% will be appropriated to RPS for FY 2020. Future budgets will have the same percentage dedicated.							

Attachment/s

Yes 🗌 No 🕅

Richmond City Council Ordinance/Resolution Request Form/updated 10.5.2012 /srs