



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Legislation Text

File #: ORD. 2025-207, **Version:** 1

To amend 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, 2026, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.146 as computed in accordance with Va. Code § 58.1-3321(a).

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That section 26-355 of the Code of the City of Richmond (2020) be and hereby is **amended** 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, [~~2025~~] 2026, and for each year thereafter, until otherwise provided by law or ordinance, for each \$100.00 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 \$0.054 from the Rolled Back Tax Rate of \$1.146 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 \$1.146.

§ 4. This ordinance shall be in force and effect as of January 1, 2026.

DATE: August 25, 2025

TO: The Honorable Members of City Council

THROUGH: The Honorable Cynthia I. Newbille, Councilmember 7th District

THROUGH: RJ Warren, Council Chief of Staff

THROUGH: Will Perkins, Senior Legislative Services Manager

FROM: The Honorable Cynthia I. Newbille, Councilmember 7th District

RE: Establishing a real estate tax rate of \$1.20 per \$100 of Assessed Real Estate Value.

CNL - 2025 - 0039

PURPOSE: 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, 2026, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.146 as computed in accordance with Va. Code § 58.1-3321(a).

BACKGROUND:

The City Assessor provided City Council with a memo on the upcoming 2025 land book value for Tax Year 2026 (see attached). With that notice it was indicated that the aggregate taxable base, is projected to increase by 5.74%.

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 \$3.5 million dollars in total 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 patron is requesting 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: None.

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: September 8, 2025

CITY COUNCIL PUBLIC HEARING DATE: September 22, 2025

REQUESTED AGENDA: Regular

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

AFFECTED AGENCIES: Budget Office, Finance Dept, and Assessor's Office

RELATIONSHIP TO EXISTING ORD. OR RES.: None

ATTACHMENTS: "McKeithen Memo - Tax Year 2026 Proposed Roll Back Rate - 8.8.25"

STAFF: Will Perkins, Senior Legislative Services Manager, (804) 646-5975