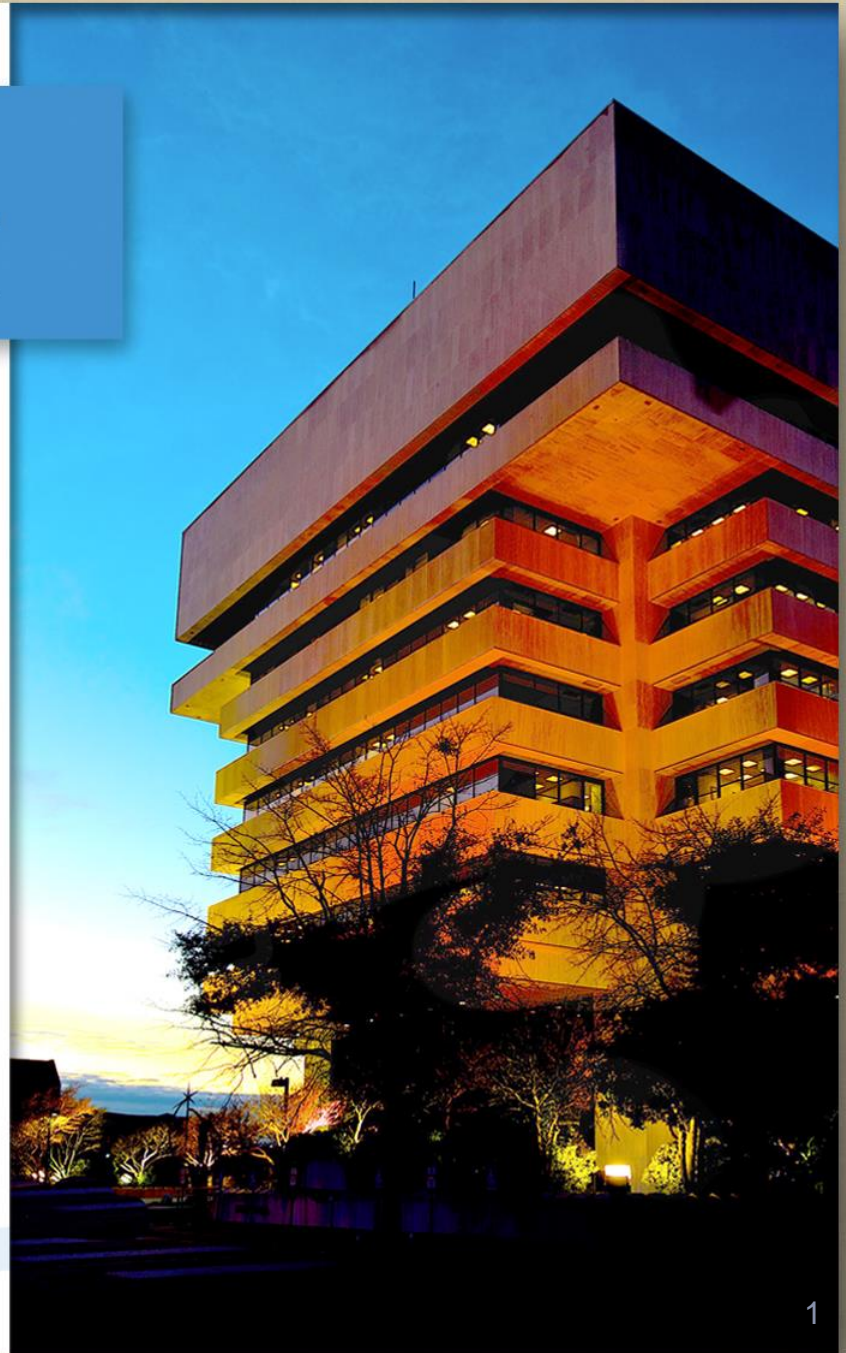


HAMPTON VA

Revenue Guideline For Real Estate Taxes

**Hampton City Council
May 4, 2022
Hampton Finance Committee**



Purpose

- Provide an overview of the Revenue Guideline for Real Estate Taxes
- Review Finance Committee's recommendation for the FY23 Real Estate Tax rate

Background

- **On February 8, 2006 City Council approved the financial guideline dealing with real estate growth:**
 - **Real estate revenue growth, net of new construction, from one fiscal year to the next, shall be limited to the equivalent percentage increase in an inflationary growth factor as measured by either the consumer price index for urban dwellers (CPI-U) or resident income growth (RI); whichever is greater in any given year.**

Background

- **Financial guideline on real estate growth continued:**
 - To the extent that budgetary needs require real estate revenue to grow faster than this factor, the City Manager and City Council shall explicitly explain the budget driving factors causing this, so that residents may have a concise and clear understanding of the need to deviate from this financial guideline.
 - This guideline was implemented with the FY07 Budget.

Background

- **On May 8, 2013, City Council approved the revision to the revenue guideline for real estate taxes:**
 - A) To incorporate a decline in real estate revenue.**
 - B) Allow flexibility to the governing body regarding the application of the tax rate factors (resident income growth and inflationary factors).**
 - C) Review all revenues and fees to encourage diversity and less reliance on real property revenues during economic declines.**

Tax Equalization

Fiscal Year	Increase/(Decline) In Real Estate Tax Revenue	Actual Tax Rate*	Equalized Tax Rate*
2014	(3,001,349)	\$1.24	\$1.27
2015	(1,327,579)	\$1.24	\$1.30
2016	578,339	\$1.24	\$1.30
2017	1,569,560	\$1.24	\$1.30
2018	1,416,775	\$1.24	\$1.30
2019	2,208,293	\$1.24	\$1.30
2020	2,418,641	\$1.24	\$1.30
2021	5,907,396	\$1.24	\$1.30
2022	7,576,490	\$1.24	\$1.27
2023	23,041,523	\$1.18 proposed	\$1.19

*Actual and Equalized rates are per \$100 of assessed value

Summary

- *The Finance Committee reviewed and voted at their May 3rd meeting to recommend City Council lower the real estate tax rate to the equalized rate of \$1.19 per \$100 of assessed value per the guideline.*

Revenue Guideline

Questions and Answers