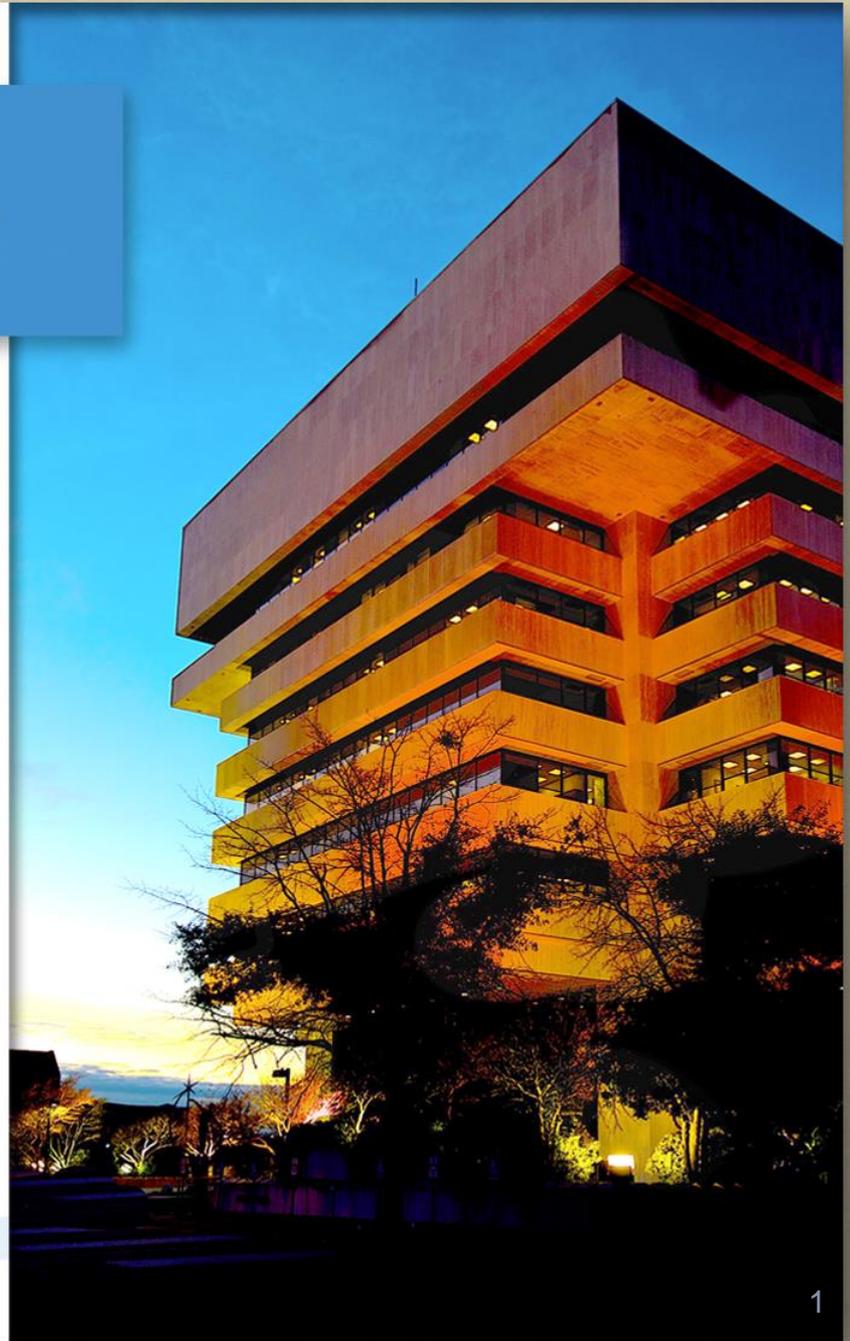


# HAMPTON VA

## **Revenue Guideline For Real Estate Taxes**

**Hampton City Council  
May 6, 2020  
Hampton Finance Committee**



# Purpose

- Provide an overview of the Revenue Guideline for Real Estate Taxes
- Review Finance Committee's recommendation for the FY21 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 Manager and 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*
2012	(2,413,693)	\$1.04	\$1.11
2013	(4,645,906)	\$1.04	\$1.21
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

(proposed)

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

# Summary

- *The Finance Committee reviewed and voted unanimously at their May 5<sup>th</sup> meeting to recommend Council maintain the real estate tax rate at \$1.24 per \$100 of assessed value.*
  - \$0.06 lower than the equalized rate per the guidelines

# Revenue Guidelines

## Questions and Answers