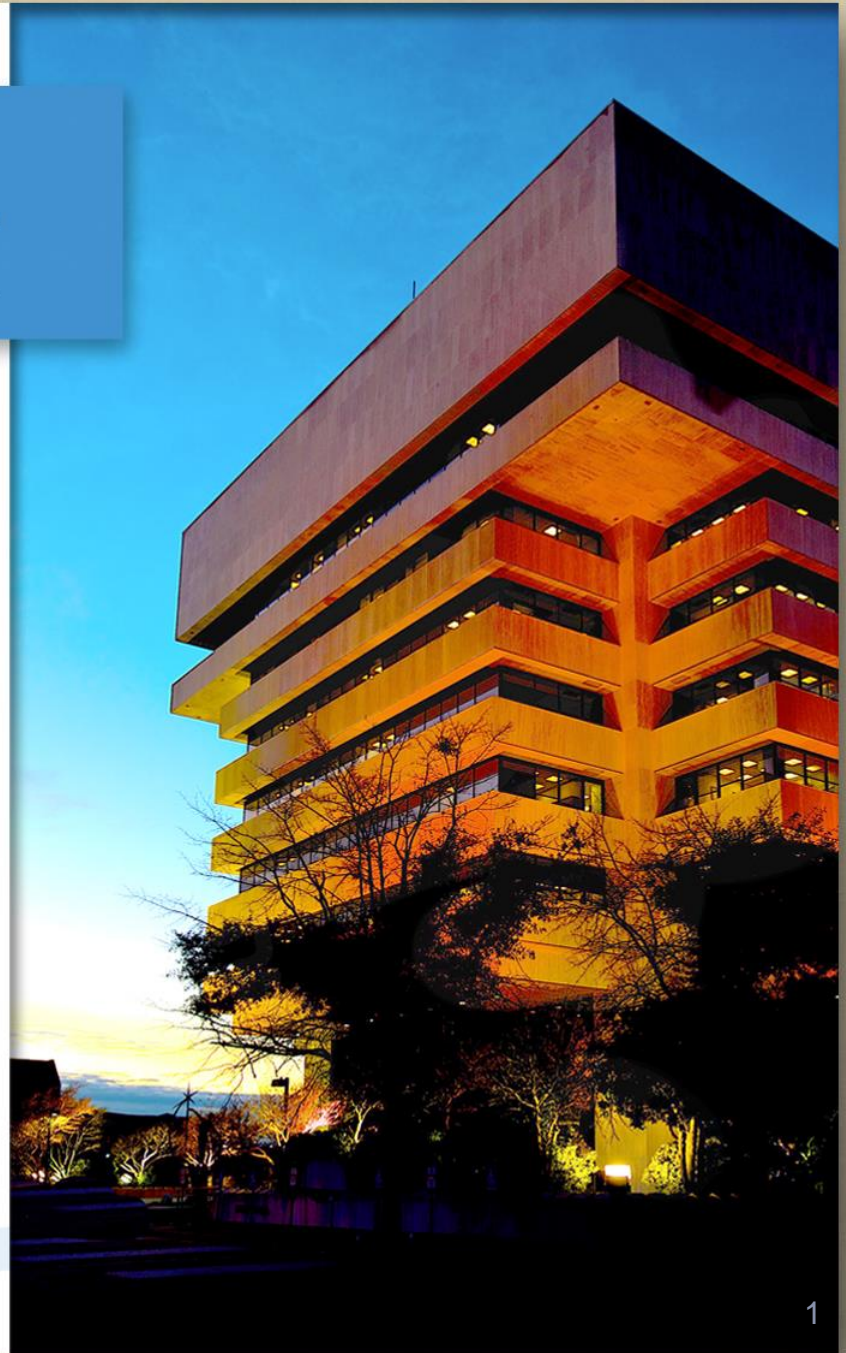


# HAMPTON VA

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

**Hampton City Council  
May 3, 2023  
Hampton Finance Committee**



# Purpose

- Provide a brief overview of the purpose of the Finance Committee.
- Provide an overview of the Revenue Guideline for Real Estate Taxes
- Review Finance Committee's recommendation for the FY24 Real Estate Tax rate

# Finance Committee

- Established in 2005.
- Its purpose is to enhance the effectiveness of Council's role in developing a broad scoped, strategic view of City finances and to provide Council advice in support of its financial decision making.
- Membership is comprised of citizens at large, and representatives from City Council, the City Manager's office; and is supported by the Director of Finance, Budget Manager (as well as the Commissioner of Revenue and Assessor, as needed).
- Most recently, the primary focus of the Committee has been the substantial growth in real property values throughout the City.

# 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

<b>Fiscal Year</b>	<b>Increase/(Decline) In Real Estate Tax Revenue</b>	<b>Actual Tax Rate*</b>	<b>Equalized Tax Rate*</b>
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	\$1.19
2024	13,981,531	\$1.16 proposed	\$1.18

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

# Summary

- *The Finance Committee reviewed and voted unanimously at their April 24th meeting to confirm the stabilization real estate tax rate of \$1.18 per \$100 of assessed value per the guideline.*



# Revenue Guideline

## Questions and Answers