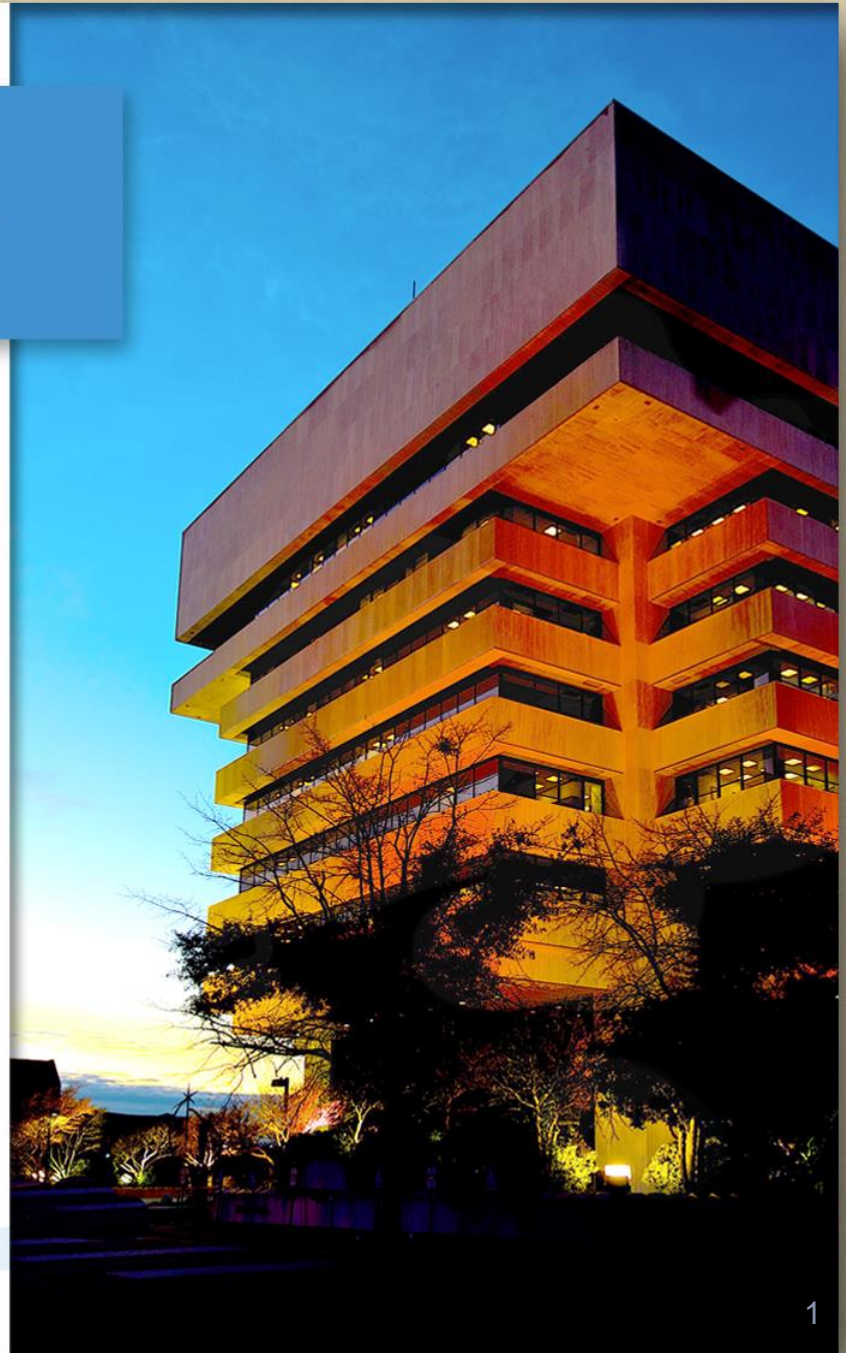# HAMPTON VA

## Revenue Guideline
## For Real Estate Taxes

**Hampton City Council**
**May 2, 2018**
**Hampton Finance Committee**

# Purpose

- Provide an overview of the Revenue Guideline for Real Estate Taxes

- Review Finance Committee's recommendation for the FY19 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 give 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 tax revenue guideline to incorporate a decline in real estate revenue.**

# Tax Equalization

| Fiscal Year | Increase/(Decline) In Real Estate Tax Revenue | Actual Tax Rate* | Equalized Tax Rate* |
|---|---|---|---|
| 2011 | (3,009,762) | $1.04 | $1.07 |
| 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 (proposed) | $1.30 |

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

# Summary

- *The Finance Committee reviewed and voted unanimously at their March 29th 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**