



CITY OF HARRISONBURG
**FINANCE
& PURCHASING**

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TO: Eric D. Campbell, City Manager
FROM: Larry L. Propst, Director of Finance
DATE: May 17, 2021
RE: Real Estate Tax Rate Public Hearing

Summary: Public hearing regarding the real estate tax rate for Fiscal Year 2021-2022 to be increased by \$0.04 per \$100 of assessed value to \$0.90 per \$100 of assessed value.

Background: At the May 11, 2021 City Council meeting, City Council approved a real estate tax rate of \$0.86 per \$100 of assessed value but also instructed staff to advertise at the next City Council meeting a new public hearing to increase the real estate tax rate by \$0.04 per \$100 of assessed value.

Key Issues: City Council is proposing to increase the real estate tax rate by \$0.04 per \$100 of assessed value to \$0.90 per \$100 of assessed value. The advertised proposed rate is a not-to-exceed rate. City Council may approve a rate lower but not higher than the \$0.90 per \$100 of assessed value.

Environmental Impact: None

Fiscal Impact: It is anticipated that an increase in the real estate tax rate of \$0.04 per \$100 of assessed value would provide approximately \$1.8 million in additional real estate tax revenue for Fiscal Year 2021-2022.

Prior Actions: None

Alternatives: None

Community Engagement: A public hearing notice was placed in the Daily News-Record (DNR) on April 15, 2021.

Recommendation: None.

Attachments: Public hearing notice as advertised in the DNR.

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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