



CITY OF HARRISONBURG
**FINANCE
& PURCHASING**

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TO: Ande Banks, Interim City Manager
FROM: Larry L. Propst, Director of Finance
DATE: May 16, 2022
RE: Real Estate Tax Rate Public Hearing

Summary: Public hearing regarding the real estate tax rate for Fiscal Year 2022-2023 to be set at \$0.93 per \$100 of assessed value.

Background: The January 1, 2022 general reassessment of real property, performed by the Commissioner of the Revenue's office, resulted in an increase of 7.3 percent in real property assessments in the city. This 7.3 percent increase excludes increases in assessments due to new construction or improvements to property.

Key Issues: Pursuant to Section 58.1-3321 of the Code of Virginia, a public hearing must be held when a general reassessment of real property (excluding new construction) results in an increase of one percent or more in the total real property tax levy. In addition, the real estate tax rate is being proposed to increase \$0.03 per \$100 of assessed value to \$0.93 per \$100 of assessed value.

Environmental Impact: None

Fiscal Impact: It is anticipated that the general reassessment increase of 7.3 percent will provide approximately \$2.95 million in additional real estate tax revenue for Fiscal Year 2022-2023.

Prior Actions: None

Alternatives: None

Community Engagement: A public hearing notice was placed in the Daily News-Record (DNR) on April 23, 2022.

Recommendation: Recommend approval of the advertised real estate tax rate to be \$0.93 per \$100 of assessed value for Fiscal Year 2022-2023.

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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