

**CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA**



Agenda Date:	April 5, 2021
Action Required:	Approval of Tax Rate/Tax Levy Ordinance
Staff Contacts:	Chip Boyles, City Manager
Presented By:	Chip Boyles, City Manager Ryan Davidson, Sr. Budget and Management Analyst Khristina Hammill, Sr. Budget and Management Analyst
Title:	Tax Rate/Tax Levy Ordinance for Calendar Year 2021

Background: As part of the budget process for each fiscal year, Council reviews its tax rates and levies for the calendar year (also known as the “Tax Year”). This will be the first reading of the Tax Rate/ Tax Levy Ordinance to establish the City’s local tax rates for the 2021 Tax Year.

Discussion: The budget for the 2021-22 fiscal year does not change any tax rates or levies. Adopting the ordinance will provide a formal recognition of Council of the rates as set forth in the Ordinance. These rates will become effective at midnight on January 1, 2021 and continue through December 31, 2021. The second reading and final approval of this Ordinance will be on April 13, 2021.

Community Engagement: Tonight’s meeting includes a public hearing on the Proposed Budget for the Fiscal Year July 1, 2021 – June 30, 2022, continuing a series of public engagement opportunities around the proposed budget for the upcoming fiscal year.

Alignment with City Council’s Vision and Strategic Plan:

This Ordinance aligns with Council’s Vision and Strategic Plan as set forth in the Proposed Budget.

Budgetary Impact: This is the first of two readings of the attached Ordinance, the purpose of which is to set the local tax rates for Tax Year 2021.

Recommendation: Approval of Ordinance (1st reading)

Alternatives: N/A

Attachment (1):

1. Tax Levy Ordinance

**AN ORDINANCE
TO ESTABLISH THE ANNUAL TAX LEVY
ON VARIOUS CLASSES OF PROPERTY FOR THE
PAYMENT OF INTEREST AND RETIREMENT OF THE CITY DEBT,
FOR THE SUPPORT OF THE CITY GOVERNMENT AND
CITY SCHOOLS, AND FOR OTHER PUBLIC PURPOSES.**

BE IT ORDAINED by the Council of the City of Charlottesville that for the tax year beginning on January 1, 2021 and ending December 31, 2021, and for each tax year thereafter during which this ordinance continues in effect, the taxes on property in the City of Charlottesville shall be as follows:

Section 1. Real Property and Mobile Homes

On tracts of land, lots or improvements thereon and on mobile homes the tax shall be \$.95 on every \$100 of the assessed value thereof, to pay the general operating expenses of the City and to pay the interest and retirement on the City debt.

Section 2. Personal Property

On all automobiles, trucks, motorcycles and other motor vehicles; boats and aircraft; and on all tangible personal property used or held in connection with any mining, manufacturing or other business, trade, occupation or profession, excluding furnishings, furniture and appliances in rental units, the tax shall be \$4.20 on every \$100 of the assessed value thereof, to pay the general operating expenses of the City and to pay the interest and retirement on the City debt.

Section 3. Public Service Corporation Property

(a) On that portion of the real estate and tangible personal property of public service corporations which has been equalized as provided in section 58.1-2604 of the Code of Virginia, as amended, the tax shall be \$.95 on every \$100 of the assessed value thereof determined by the State Corporation Commission.

(b) The foregoing subsections to the contrary notwithstanding, on automobiles and trucks belonging to such public service corporations the tax shall be \$4.20 on every \$100 of assessed value thereof.

(c) Such taxes are levied to pay the general operating expenses of the City and to pay the interest and retirement on the City debt.

Section 4. Machinery and Tools

On machinery and tools used in a manufacturing or mining business the tax shall be \$4.20 on every \$100 assessed value thereof, to pay the general operating expenses of the City and to pay the interest and retirement on the City debt.

Section 5. Energy Efficient Buildings

- (a) On energy efficient buildings the tax shall be \$.475 on every \$100 of the assessed value thereof, to pay the general operating expenses of the City and to pay the interest and retirement on the City debt.
- (b) This tax rate is subject to the limitations in Chapter 30, Article V, Division 4 of the Charlottesville City Code, 1990, as amended, and applies only to buildings and not the real estate or land on which they are located.

BE IT FURTHER ORDAINED that the ordinance adopted April 8, 2019 establishing local tax rates for the year beginning January 1, 2019 and ending on December 31, 2019 is hereby repealed, effective at midnight on January 1, 2021.

Approved by Council:
