



Legislation Details (With Text)

File #: 20-1670 **Version:** 1 **Name:**
Type: Action Item **Status:** Agenda Ready
File created: 4/14/2020 **In control:** Town Council Meeting
On agenda: 4/27/2020 **Final action:**
Title: Public hearing regarding FY 2020-21 proposed real estate tax rate

Sponsors:

Indexes:

Code sections:

Attachments: 1. Notice of Public Hearing - Effective Tax FY 2021, 2. Reg Require Pub Hearing Tax Rate

Date	Ver.	Action By	Action	Result
4/27/2020	1	Town Council Meeting	approved	Pass

Subject:

Public hearing regarding FY 2020-21 proposed real estate tax rate

EXPLANATION AND SUMMARY :

Each year, as the Town’s budget for the following year is developed, a proposed real estate tax rate is recommended by the Town Manager and reviewed by Council during budget work sessions. This public hearing is being held to give Vienna residents an opportunity to provide public comment on the proposed real estate tax rate of \$0.2250 per \$100 of assessed value for fiscal year 2020-21.

The State Code of Virginia, section 58.1-3321, requires that a locality calculate the “Lowered Rate Necessary” to generate the same tax levy as the previous year, excluding new construction. This lowered rate for Vienna in FY 2020-21 is \$0.2211 per \$100 of assessed value. The “Equalization Rate” is the rate required to generate a levy of 101% of the previous year’s tax levy on the same assessed base. The equalization rate is \$0.2234 per \$100 of assessed value. Per state code, Council may adopt a rate no higher than the equalization rate without holding a public hearing. The proposed tax rate of \$0.2250 is \$0.0016 higher than the equalization rate; therefore, a public hearing is required.

Town Council has reviewed the budget during work sessions on March 14, March 16, and April 20, 2020. The Finance Department is presenting the proposed real estate tax rate and other tax rates at this public hearing for input from the public.

This is the sixth consecutive year with no change in Vienna’s real estate tax rate. The proposed FY2020-21 budget is based on this \$0.2250 per \$100 of assessed value rate along with continuation of the current bank net capital rate of \$0.80 per \$100 of valuation as well as a residential utility tax rate of 20% of the first \$15 and a commercial utility tax rate of 15% of the first \$300.

Town Council has the option to adopt the proposed tax rates or to lower them from advertised amounts as it sees fit.

Strategic Plan Initiative: *Vienna is a fiscally responsible community.*

Departmental Recommendation : Recommend a public hearing.

Finance Recommendation : Recommend a public hearing.

Purchasing Recommendation : N/A

Town Attorney Recommendation : Virginia State Code § 58.1-3321 requires a public hearing on the proposed real estate tax rate if there is an effective tax rate increase. Therefore, the Town Attorney advises Town Council to conduct a public hearing on the proposed Fiscal Year 2020-21 tax rates.

Town Manager's Recommendation : I recommend the Town Council close the public hearing and approve the Fiscal Year 2020-21 proposed real estate tax rate, as presented.

Cost and Financing: N/A

Account Number: N/A

Decision Needed by This date: April 27, 2020

PROPOSED/SUGGESTED MOTION

"I move to close the public hearing."

"I further move to approve the Fiscal Year 2020-21 proposed real estate tax rate, bank net capital rate, residential utility tax rate, and commercial utility tax rate as presented. I further move that the Town Clerk be directed to advertise a Notice of Intent to Adopt at the May 11, 2020 Council meeting."

Or

Other action deemed necessary by Council.