



Legislation Details (With Text)

File #: 21-2220 **Version:** 1 **Name:**
Type: Action Item **Status:** Passed
File created: 4/5/2021 **In control:** Town Council Meeting
On agenda: 4/26/2021 **Final action:** 4/26/2021
Title: Public hearing on the FY 2021-22 proposed real estate tax rate

Sponsors:

Indexes:

Code sections:

Attachments: 1. Notice of Public Hearing - Effective Tax FY 2022, 2. Reg Require Pub Hearing Tax Rate

Date	Ver.	Action By	Action	Result
4/26/2021	1	Town Council Meeting	approved	Pass

Subject:

Public hearing on the FY 2021-22 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 conference 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 2021-22.

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 2021-22 is \$0.2199 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 \$0.2221 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 \$0.0029 higher than the equalization rate; therefore, a public hearing is required.

Town Council has reviewed the budget during conference sessions on March 13 and 15 and April 19, 2021. 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 seventh consecutive year with no change in Vienna's real estate tax rate. The proposed FY2021-22 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 public hearing.

Finance Recommendation : Recommend public hearing.

Purchasing Recommendation : N/A

Town Attorney Recommendation : In accordance with the Code of Virginia and Town Code, the Town Attorney recommends that Town Council conduct a public hearing to receive public input on the proposed FY21-22 tax rate.

Town Manager's Recommendation : I recommend the Town Council close the public hearing, approve the fiscal year 2021-2022 proposed real estate tax rate, bank net capital rate, residential utility tax rate and commercial utility tax rate, as presented. I also recommend the Town Council approve the fiscal year 2021-2022 proposed real estate tax rate at \$0.225, as presented.

Cost and Financing: N/A

Account Number: N/A

Decision Needed by This date: April 26, 2021

PROPOSED/SUGGESTED MOTION

"I move to close the public hearing."

"I further move to approve the fiscal year 2021-22 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 17, 2021 Council meeting."

OR

"I further move to approve the fiscal year 2021-22 proposed real estate tax rate at \$0.225 per \$100 of assessed value (a decrease of \$0.0025), and 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 17, 2021 Council meeting."

OR

Other action deemed necessary by Council.