



Town of Gordonsville, Virginia
Agenda Item Summary
April 23, 2020

<p><u>AGENDA ITEM 3</u></p> <p><u>AGENDA TITLE:</u> Consideration of 2020 Tax Rate.</p> <p><u>PRESENTER:</u> Mayor Robert Coiner</p>	<p><u>DISPOSITION:</u> <input checked="" type="checkbox"/> Action Required <input type="checkbox"/> For Discussion <input type="checkbox"/> Consent Agenda <input type="checkbox"/> Closed Session <input type="checkbox"/> Informational</p> <p><u>ATTACHMENTS:</u> <input type="checkbox"/> yes <input checked="" type="checkbox"/> no</p>
---	---

BACKGROUND:

Staff has received information that shows the value of real property in the town of Gordonsville will increase approximately 12.2% as the result of Orange County’s most recent general reassessment of real property.

Pursuant to Virginia code section [58.1-3321\(A\)](#), “When any annual assessment, biennial assessment or general reassessment of real property by a county, city or town would result in an increase of one percent or more in the total real property tax levied, such county, city, or town shall reduce its rate of levy for the forthcoming tax year [equalize] so as to cause such rate of levy to produce no more than 101 percent of the previous year's real property tax levies... ”.

Utilizing the formulary in the statute, equalization of the Town’s rate of levy in this regard would equal to 11.7 cents per \$100 of assessed value. As Council will recall, the current real property rate of levy is 13 cents per \$100 of assessed value.

Should Council deem it necessary to keep the current real property rate of levy, which would result in approximately \$17K of additional tax revenue annually, this would be considered an increase in the rate that must be heard separately at a hearing that is advertised at least 14 days prior to the date of that hearing in accordance with the provisions of 58.1-3321(B). A tax rate and budget hearing and adoption schedule will be considered separately later in the meeting.

Staff is aware that both Orange County and the Town of Orange are equalizing their real property rates of levy in response to the increased assessment.

STAFF RECOMMENDATION:

Staff recommends that Council equalize the real property rate of levy to 11.7 cents per \$100 of assessed value.

MOTIONS FOR CONSIDERATION:

Two motions are offered for Council's consideration in this regard:

Motion to equalize the rate of levy

“Motion to advertise a real property rate of levy of 11.7 cents per \$100 of assessed real property value with a public hearing to be held concurrently with that held to receive public comment on the proposed budget for FY20-21.”

OR

Motion to increase the rate of levy

“Motion to advertise a real property rate of levy of 13 cents per \$100 of assessed real property value with a public hearing to be held separately from that held to receive public comment on the proposed budget for FY20-21.”