

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



Agenda Date:	May 6, 2024
Action Required:	Ratification of the Meals Tax and Lodging Tax Ordinances
Presenter:	Krisy Hammill, Director of Budget
Staff Contacts:	Krisy Hammill, Director of Budget April Wimberley, Assistant City Attorney
Title:	Resolution ratifying Meals and Lodging Tax Rates for FY 2025

Background

City Council adopted the FY 2025 Budget on April 15, 2024. The adopted budget included rate increases for Real Estate tax, Personal Property tax, meals tax and lodging tax. Updates to the ordinances are required to reflect the new approved rates.

Discussion

The FY 2025 Budget included the following tax rate increases:

Real Estate Tax - \$0.02 increase going from \$0.96/\$100 to \$0.98/\$100
Personal Property Tax - \$0.20 increase going from \$4.20/\$100 to \$4.40/\$100
Meals Tax - 0.05% increase going from 6.5% increase to 7.0%
Lodging Tax - 1.0% increase going from 8% to 9%

With the adoption of the FY 2025 budget, Council voted to increase the lodging and meals tax rates. This item is being included to ratify the approval of the increases for both tax rates beginning July 1, 2024.

Alignment with City Council's Vision and Strategic Plan

This item aligns with the strategic outcome area of Organization Excellence.

Community Engagement

There were multiple public hearings and work sessions held during the development of the FY 2025 Budget with opportunities for public comment. Additionally, advertisements of the public hearings on the tax rate increases and the budget were published in the *Daily Progress*.

Budgetary Impact

These tax rate increases were included as part of the FY 2025 Adopted Budget and will take effect on July 1, 2024.

Recommendation

Staff recommends approval.

Alternatives

N/A

Attachments

1. Budget ordinance - meals tax_FINAL
2. Budget ordinance - transient room tax_FINAL