

Policy Briefing Summary

City Council



Regarding:	Public Hearing on the Charlottesville Real Property Tax Rate
Staff Contact(s):	Krisy Hammill, Director of Budget
Presenter:	Krisy Hammill, Director of Budget
Date of Proposed Action:	April 6, 2026

Issue

The FY 2027 proposed Budget includes a two-cent real estate tax increase. A public hearing is required when Council chooses to establish a higher tax rate.

Background / Rule

The Virginia Code requires that a public hearing be noticed and held if the annual reassessment results in a 1% or more increase in real property taxes levied when compared to the previous year and if Council chooses to establish a higher tax rate.

Analysis

The FY 2027 Proposed Budget includes a \$0.02 increase to the real estate tax rate, raising it from \$0.98 to \$1.00 per \$100 of assessed value. State law requires that any proposed tax rate increase be advertised at least seven days before the vote. To meet this requirement, the City published the attached notice in the *Daily Progress* on Thursday, March 26, 2026, and posted copies at the Office of the Clerk of Council and on the public information board on the second floor of City Hall near Council Chamber.

Although only one public hearing is required, City Council held an additional hearing on March 16 to give residents more opportunity to comment on the proposed increase. This earlier hearing provided another chance for community members to speak directly with Council about the tax rate change.

Financial Impact

Staff estimates the additional \$0.02 real estate tax levy will generate an additional \$2,467,724 in revenue, and has been included as part of the FY 2027 Proposed Budget.

Recommendation

N/A

Recommended Motion (if Applicable)

N/A

Attachments

1. NOTICE OF PROPOSED REAL PROPERTY TAX INCREASE 2026-Draft