

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:	March 16, 2026

Issue

The FY 2027 Proposed Budget includes a two-cent real estate tax increase. Virginia Code requires a public hearing be held if Council seeks an increase the tax rate.

Background / Rule

Virginia Code requires that a public hearing be noticed and held prior to any increase in the real property tax rate. As part of the FY 2027 Budget Development process, the City Council will hold two separate public hearings on the \$0.02 real estate tax rate increase currently being proposed. The hearings will be held on March 16, 2026 and April 6, 2026.

Analysis

The FY 2027 Proposed Budget includes a \$0.02 increase to the real estate tax rate, moving it from the current \$0.98 per \$100 of assessed value to \$1.00 per \$100. Although only one public hearing is required, City Council will hold two hearings to ensure the community has ample opportunity to provide input on the proposed increase. The first hearing will take place on March 16, followed by a second hearing on April 6.

Under Virginia Code, a public hearing must be advertised at least seven days before a vote to increase the tax rate. To meet this requirement, an advertisement (draft attached) will be published in the Daily Progress no later than Monday, March 30, to officially notice the April 6 hearing. While the March 16 hearing will also allow for public comment, it will serve as an additional engagement opportunity for residents to speak directly with Council about the proposed 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