MARTINSVILLE CITY COUNCIL
SPECIAL MEETING AGENDA

Thursday, May 8, 2025

Martinsville's Vision

Martinsville is a thriving, full-service city centrally located in southern Virginia, offering excellent education and superior quality of life in a picturesque setting while embracing inclusivity and opportunities to ensure a sustainable and fulfilling lifestyle to live, visit, and grow.

Martinsville's Mission

Martinsville City proudly promotes a safe, healthy, thriving community dedicated to delivering excellent services and meaningful public participation.

PRESIDING:	LC Jones, Mayor
CITY COUNCIL MEMBERS:	Kathy Lawson, Vice Mayor
	Julian Mei
	Rayshaun Gravely
	Aaron Rawls
STAFF:	Aretha R. Ferrell-Benavides, City Manager & City Clerk
	Peyton Nibblett, Deputy City Clerk
	Law Offices of Sands Anderson, City Attorney

Martinsville
A CITY WITHOUT LIMITS

Special Session - 6pm, Council Chambers

1. Call to Order

2. Pledge to the American Flag

3. Invocation

4. Public Hearing on Proposed Fiscal Year 2025-26 Real Estate Tax Rate

a. Public Hearing on Proposed Fiscal Year 2025-26 Real Estate Tax Rate

b. Discuss and Consider Proposed Real Estate Tax Rate for FY 25-26

5. Budget Workshop

6. Adjournment

Item: 4.b.

STAFF REPORT

To: City Council
From: Robert Floyd, Budget Administrator, Aretha R. Ferrell-Benavides, City Manager
Subject: Discuss and Consider Proposed Real Estate Tax Rate for FY 25-26
Department/Office: City Management
Meeting Date: May 8, 2025

Summary:
Pursuant to Section 58.1-3321 of the Code of Virginia, notice is hereby given that a public hearing is scheduled for 6:00 P.M. May 8, 2025 on the proposed Tax Rates for Fiscal Year 2025-26. Interested parties are invited to attend the public hearing and present their views. The hearing will be held in the Council Chambers located at 55 W. Church Street, Second Floor.

The City of Martinsville proposes to increase property tax levies.
1. Assessment Increase: Total assessed value of real property, excluding additional assessments due to new construction or improvements to property, exceeds last year's total assessed value of real property by 37.28 percent.

2. Lowered Rate Necessary to Offset Increased Assessment: The tax rate which would levy the same amount of real estate tax as last year, when multiplied by the new total assessed value of real estate with the exclusions mentioned above, would be $.7212 per $100 of assessed value. This rate will be known as the "lowered tax rate."

3. Effective Rate Increase: The City of Martinsville proposes to adopt a tax rate of $.7792 per $100 of assessed value. The difference between the lowered tax rate and the proposed rate would be $.0580 per $100, or .8.5% percent. This difference will be known as the "effective tax rate increase." Individual property taxes may, however, increase at a percentage greater than or less than the above percentage.

4. Proposed Total Budget Increase: Based on the proposed real property tax rate and changes in other revenues, the total budget of the City of Martinsville will exceed last year’s by 7.4 percent.

Policy Explanation:
Pursuant to Section 58.1-3321 of the Code of Virginia, Effect on rate when assessment results in tax increase; public hearings; referendum.

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 so as to cause such rate of levy to produce no more than 101 percent of the previous year's real property tax levies, unless subsection B is complied with, which rate shall be determined by multiplying the previous year's total real property tax levies by 101 percent and dividing the product by the forthcoming tax year's total real property assessed value. An additional assessment or reassessment due to the construction of new or other improvements, including those improvements and changes set forth in § 58.1-3285, to the property shall not be an annual assessment or general reassessment within the meaning of this section, nor shall the assessed value of such improvements be included in calculating the new tax levy for purposes of this section. Special levies shall not be included in any calculations provided for under this section.

B. The governing body of a county, city, or town may, after conducting a public hearing, which shall not be held at the same time as the annual budget hearing, increase the rate above the reduced rate required in subsection A if any such increase is deemed to be necessary by such governing body.

Recommended Action:
1. City Council Set Proposed Real Estate Tax Rate
2. City Council Do Not Set Proposed Real Estate Tax Rate
3. Other Action as Deemed Necessary by Council

Fiscal Impact/Funding Source:
An increase in revenue due to both higher property assessments and a proposed tax rate above the neutral, revenue-offsetting rate.

Available Budget: N/A
Purchase Amount: N/A

Attachments:
None