City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 15, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #85: Impact Of Adopted Tax Rate On Real Estate Tax Assessments

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The following tables provide information regarding the effect of changes to CY 2007 real property tax assessments and changes to the tax rate on the average tax assessment. Comparative information is also provided for other jurisdictions.

Table 1 shows the average change in property values. If Council had held the real estate tax rate steady at 81.5 cents per $100, the real estate tax liability for the average homeowner would have changed at the same rate as the average assessment.

Table 1. Average Change in Property Values

	CY 2006	CY 2007	$ Change	% Change
All Properties	$ 524,812	$ 509,593	$ (15,219)	-2.9%
Single Family	$ 669,299	$ 660,866	$ (8,433)	-1.3%
Condos	$ 364,286	$ 341,008	$ (23,278)	-6.4%

Table 2 shows the average change in tax liability, based on the adjustment in the real estate tax rate to 83.0 cents per $100.

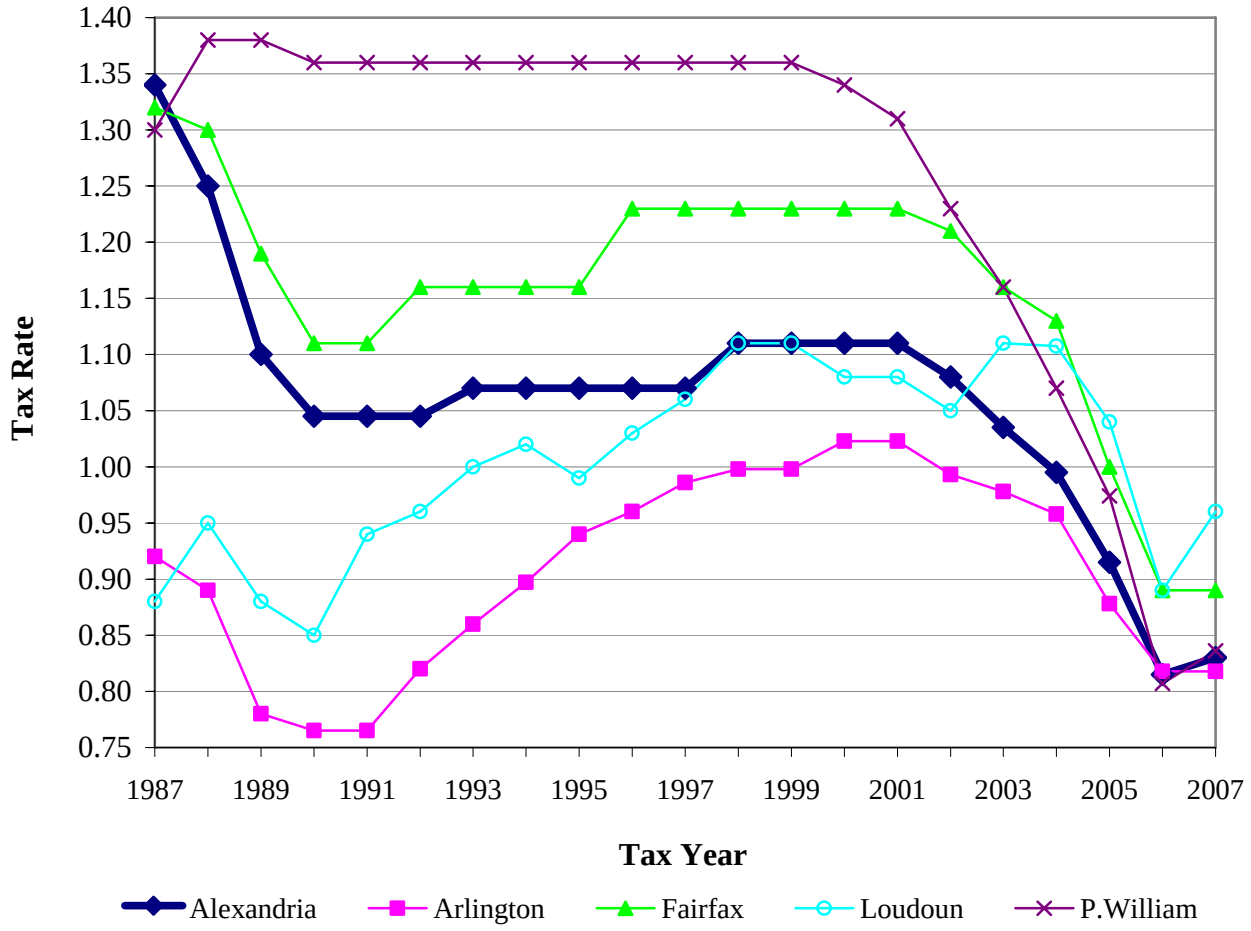
Table 2. Average Change in Tax Assessment

	CY 2006	CY 2007	$ Change	% Change
All Properties	$ 4,277	$ 4,230	$ (47)	-1.1%
Single Family	$ 5,455	$ 5,485	$ 30	0.5%
Condos	$ 2,969	$ 2,830	$ (139)	-4.7%

Per Budget Memo #59, at the adopted real estate tax rate of 83.0 cents, 52% of Alexandria homeowners will pay less in real estate taxes in 2007 than in 2006. In inflation adjusted terms, 81% of homeowners will pay less in real estate taxes.

Table 3 shows the real estate tax rate among local jurisdictions. Alexandria's tax rate continues to be the second lowest among major jurisdictions in Northern Virginia, behind Arlington's.

Jurisdiction	Current Tax Rate	Adopted Tax Rate	Change from Previous Year
Alexandria	$0.815	$0.830	$0.015
Arlington	$0.818	$0.818	$0.000
Prince William*	$0.807	$0.8361	$0.029
Fairfax County	$0.890	$0.890	$0.000
Loudoun County	$0.890	$0.960	$0.070

*Prince William includes a general tax levy and two specia
levies that are levied throughout the County.

The graph below illustrates historical tax rates among local jurisdictions.