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HOUSE BILL NO. 68

Offered January 14, 2026

A BILL to amend and reenact §§ 58.1-3321 and 58.1-3330 of the Code of Virginia, relating to local taxation of real property; effect on rate when assessment results in tax increase; consideration of inflation.

Patron—McNamara

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That §§ 58.1-3321 and 58.1-3330 of the Code of Virginia are amended and reenacted as follows:****§ 58.1-3321. 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 *after reducing the total real property assessed value by the greater of (i) the change in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics for the U.S. Department of Labor, since the fiscal year of the last assessment or (ii) zero*, 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.

C. Notice of any public hearing held pursuant to this section shall be given at least seven days before the date of such hearing by the publication of a notice in (i) at least one newspaper of general circulation in such county or city and (ii) a prominent public location at which notices are regularly posted in the building where the governing body of the county, city, or town regularly conducts its business. Additionally, in a county, city, or town that conducts its reassessment more than once every four years, the notice for any public hearing held pursuant to this section shall be published on a different day and in a different notice from any notice published for the annual budget hearing. Any such notice shall be at least the size of one-eighth page of a standard size or a tabloid size newspaper, and the headline in the advertisement shall be in a type no smaller than 18-point. The notice described in clause (i) shall not be placed in that portion, if any, of the newspaper reserved for legal notices and classified advertisements. The notice described in clauses (i) and (ii) shall be in the following form and contain the following information, in addition to such other information as the local governing body may elect to include:

NOTICE OF PROPOSED REAL PROPERTY TAX INCREASE

The (name of the county, city or town) proposes to increase property tax levies.

1. Assessment Increase: Total assessed value of real property, excluding *any increase in value attributable to the change in the United States Average Consumer Price Index for all items, all urban consumers, since the fiscal year of the last assessment* and additional assessments due to new construction or improvements to property, exceeds last year's total assessed value of real property by ____ 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 \$ ____ per \$100 of assessed value. This rate will be known as the "lowered tax rate."

3. Effective Rate Increase: The (name of the county, city or town) proposes to adopt a tax rate of \$ ____ per \$100 of assessed value. The difference between the lowered tax rate and the proposed rate would be \$ ____ per \$100, or ____ 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 (name of the county, city or town) will exceed last year's by ____ percent.

A public hearing on the increase will be held on (date and time) at (meeting place).

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59 D. All hearings shall be open to the public. The governing body shall permit persons desiring to be heard
60 an opportunity to present oral testimony within such reasonable time limits as shall be determined by the
61 governing body.

62 E. The provisions of this section shall not be applicable to the assessment of public service corporation
63 property by the State Corporation Commission.

64 F. Notwithstanding other provisions of general or special law, the tax rate for taxes due on or before June
65 30 of each year may be fixed on or before May 15 of that tax year.

66 **§ 58.1-3330. Notice of change in assessment.**

67 A. Whenever in any county, city, or town there is a reassessment of real estate, or any change in the
68 assessed value of any real estate, notice shall be given by mail directly to each property owner, as shown by
69 the land books of the county, city, or town whose assessment has been changed. Such notice shall be sent by
70 postpaid mail at least 15 days prior to the date of a hearing to protest such change to the address of the
71 property owner as shown on such land books. The governing body of the county, city, or town shall require
72 the officer of such county, city, or town charged with the assessment of real estate to send such notices or it
73 shall provide funds or services to the persons making such reassessment so that such persons can send such
74 notices.

75 B. Every notice shall, among other matters, show the magisterial or other district, if any, in which the real
76 estate is located, the amount and the new and immediately prior two tax years' final assessed values of land,
77 and the new and immediately prior two tax years' final assessed values of improvements. It shall further set
78 out the time and place at which persons may appear before the officers making such reassessment or change
79 and present objections thereto. The notice shall also inform each property owner of the right to view and
80 make copies of records maintained by the local assessment office pursuant to §§ 58.1-3331 and 58.1-3332
81 and inform each property owner that the records available and the procedure for accessing them are set out in
82 §§ 58.1-3331 and 58.1-3332. In counties that have elected by ordinance to prepare land and personal property
83 books in alphabetical order as authorized by § 58.1-3301 B, such notice may omit reference to districts, as
84 provided herein.

85 The following requirements shall apply to any notice of change in assessment other than one in which the
86 change arises solely from the construction or addition of new improvements to the real estate. If the tax rate
87 that will apply to the new assessed value has been established, then the notice shall set out such rate. In
88 addition, whether or not the tax rate applicable to the new assessed value has been established, the notice
89 shall set out the tax rates for the immediately prior two tax years, the total amount of the new tax levy, based
90 on the current tax rate at the time the notices are prepared, and the amounts of the total tax levies for the
91 immediately prior two tax years, based on the final tax rates for those tax years multiplied by the final
92 assessed values of land and improvements for those tax years, and the percentage changes in the new tax levy
93 from the tax levies in the immediately prior two tax years.

94 If the tax rate that will apply to the new assessed value has not been established, then the notice shall set
95 out the time and place of the next meeting of the local governing body at which public testimony will be
96 accepted on any real estate tax rate changes. Additionally, in any county, city, or town that conducts an
97 annual or biennial reassessment of real estate or in which reassessment of real estate is conducted primarily
98 by employees of the county, city, or town under direction of the commissioner of the revenue, if the overall
99 total assessed value of real property in the locality, excluding *any increase in value attributable to the United*
100 *States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau*
101 *of Labor Statistics for the U.S. Department of Labor, as described in subsection A of § 58.1-3321 and*
102 additional assessments due to new construction or improvements to real property, would result in an increase
103 of one percent or more in the total real property tax levied in the locality, the notice shall set forth the tax rate
104 that would levy the same amount of real estate tax as the previous year when multiplied by the new total
105 assessed value of real estate, excluding additional assessments due to new construction or improvements to
106 real property. If this meeting will be more than 60 days from the date of the reassessment notice, then instead
107 of the date of the meeting, the notice shall include information on when the date of the meeting will be set
108 and where it will be publicized.

109 C. Any person other than the owner who receives such reassessment notice shall transmit the notice to
110 such owner, at his last known address, immediately on receipt thereof and shall be liable to such owner in an
111 action at law for liquidated damages in the amount of \$25, in the event of a failure to so transmit the notice.
112 Mailing such notice to the last known address of the property owner shall be deemed to satisfy the
113 requirements of this section.

114 D. Notwithstanding the provisions of this section, if the address of the taxpayer as shown on the tax record
115 is in care of a lender, the lender shall upon request furnish the county, city, or town a list of such property
116 owners, together with their current addresses as they appear on the books of the lender, or the parties may by
117 agreement permit the lender to forward such notices to the property owner, with the cost of postage to be paid
118 by the county, city, or town.