

**FY 2021-2022 Virginia Beach Budget
Response to Council Questions**

Question Number: 86

Question: When the Parks & Recreation Referendum Tax was reduced, was this part of Citywide rate reductions or was the money retained and reallocated for other City operations?

Date Requested: 4/20/21

Requested By: Councilmember Moss

Department: Budget

Response: In 1987, the qualified voters of the City of Virginia Beach voted 55%-45% in favor of a referendum to issue bonds to build and renovate multiple Parks and Recreation Recreation Centers. To finance the payment of these bonds, the City Council voted on November 23, 1987 to increase the City’s real estate tax, effective July 1, 1988 by 3.8 cents per \$100 of assessed value. This action increased the City’s overall real estate tax from 87.7 cents per \$100 of assessed value to 91.5 cents per \$100 of assessed value.

In the mid-2000s, the City Council voted to reduce real estate tax rates several years in a row. Initially, in Fiscal Year 2004-05 and Fiscal Year 2005-06, the rate reductions were not extended to the Recreation Center dedication. In Fiscal Year 2006-07 and Fiscal Year 2007-08, in contrast, the Recreation Center dedication was reduced as part of the general Citywide reduction. In Fiscal Year 2006-07, the City’s rate was reduced by 3.39 cents, with the Recreation Center dedication being reduced by 0.1 of a cent, to 3.7 cents per \$100 of assessed value. In Fiscal Year 2007-08, the rate was reduced by ten cents Citywide, and the Recreation Center was reduced from 3.7 cents per \$100 of assessed value to 3.476 cents per \$100 of assessed value, which is the rate that remains today.

Fiscal Year	Tax Rate	Tax Rate Change	Parks & Recreation Recreation Center Dedication
1987-88	0.877	-	0.0¢
1988-89	0.915	3.8¢	3.8¢
2003-04	1.22	No change	No change
2004-05	1.1964	-2.36¢	No change
2005-06	1.0239	-17.25¢	No change
2006-07	0.99	-3.39¢	-0.1¢
2007-08	0.89	-10¢	-0.224¢
Total Dedicated		-	3.476¢