



Town of Haymarket
15000 Washington Street, #100
Haymarket, VA 20169
703-753-2600

To: Honorable Mayor and Town Council
From: Roberto Gonzalez, Town Treasurer
Date: April 07, 2025
Re: Proposed FY2026 Real Estate Tax Rate Public Hearing

The proposed FY2026 Real Estate Tax Rate is currently to maintain a flat tax rate of .105 per \$100. Though the tax rate will not increase, it will increase Town Tax invoices due to increased assessments for parcels. From FY2025 assessments the Town saw a 10.3% increase in residential parcels and a 13.2% increase in the commercial parcels. The new residential parcels that have now been fully assessed from last year is an estimated 24.8% of the assessments.

Some of the key reasons the Town's real estate tax revenue are essential to the budget:

1. **Core Source for Local Government:** Real Estate taxes are a reliable source of revenue for the Town of Haymarket, funding essential services such as the 24/7 Police Department, trash and recycling services, Town Hall administration, and infrastructure maintenance. This revenue is critical for maintaining and improving public services, ensuring the Town can continue to provide a safe and attractive environment for residents and businesses alike.
2. **Economic Stability:** Real Estate tax is a stable and predictable source of revenue allowing to better plan the Town's budget, allocate resources efficiently, and avoid financial shortfalls on operational services and needs for the community. Real estate taxes provide a reliable stream of funding, helping the Town of Haymarket remain financially stable and responsive to residents' needs.
3. **Equity and Fairness:** Real Estate taxes are typically based on the value of a property, making them relatively fair since they align with the property's value. This system helps ensure that everyone contributes proportionally to the cost of maintaining public services.
4. **Long-Term Planning:** Real Estate taxes also help towns in their long-term planning and development goals. The tax revenue can be allocated to projects that ensure sustainable growth, such as improving infrastructure, parks, and public buildings.

Below is a breakdown of FY2026 assessments report:

Units	Parcel Type	Assessments	Tax Amount to Town	Percentage
621	Residential	365,553,500	383,831	71.4%
2	Multi-Family	4,849,300	5,092	0.9%
74	Commercial	141,607,100	148,687	27.7%
20	HOA	-	-	0.0%
17	Exemptions	8,221,200		0.0%
734	Total Town Parcels	512,009,900	537,610	100.0%

*** Only 601 of the residential homes are serviced by trash service; the 20 other parcels are lots of land but are categorized as residential parcels. ***

New Townhomes & Single Family Homes		
Assessments	Tax Amount	Percentage of Assessments
90,479,300	\$ 95,003	24.8%

Of the 621 Residential parcels which are budgeted to produce \$ 383,831.00 in Real Estate Tax Revenue; \$95,003 of the residential parcels derive from the new Townhomes and Single-Family Homes that have been built within the Town limits.

The following will show what the proposed rate vs what alternate rates would look like to the Proposed FY2026 budget Real Estate revenues:

REAL ESTATE TAXES:							
	Estimated 2025	Current 2024	Proposed for FY2026 Flat Rate Haymarket (.105)	Lowered Rate Haymarket (.102)	Lowered Rate Haymarket (.098)	Equalized Rate Haymarket (.093)	Haymarket (.093) Equalized Rate + 2.8% Inflation = (.096)
2025 Assessment Report w/ Exemptions included	\$ 512,009,900	\$ 458,228,700	\$ 537,610	\$ 522,250	\$ 501,770	\$ 476,169	\$ 491,530
Increase Percentage from Last Year			13.6%	10.3%	6.0%	0.6%	3.9%
	Current 2023	Proposed for FY2026 Flat Rate Haymarket (.105)	Lowered Rate Haymarket (.102)	Lowered Rate Haymarket (.098)	Equalized Rate Haymarket (.093)	Equalized Rate Haymarket (.093) + 2.8% Inflation	
2025 Est. PSC Tax Assessment Re	\$ 24,218,401	\$ 11,350,823	\$ 25,429	\$ 24,703	\$ 23,734	\$ 22,523	\$ 23,250
*** PSC Assessments have not been given as of vet.***							

The estimated average increase to Town residents with the proposed flat tax rate is as follows:

Single Family Homes	\$ 50.00 for the year
Town Homes	\$ 26.00 for the year

***These averages do not include the newer residential parcels as they were not fully assessed in last year's County assessments. FY2026 will be the first fully assessed year for the new homes. ***

The proposed real estate tax rate, unlike other revenue sources, tends to be more predictable and easier to budget for in supporting our financial stability. Over the past three years, the Town has reduced the tax rate and issued a \$250,000 tax refund in FY2023 to residents that were in good standing with their Town taxes.

This upcoming fiscal year should recognize that the real estate tax rate should be evaluated not only for the current fiscal year but also for future Town budgets. The current budget is structured to support various initiatives aligned with the Strategic Plan adopted by the Council. Keeping the proposed tax rate is important to sustain and expand the Town's development, especially with ongoing and upcoming Capital Improvement Projects having a reliable revenue source moving forward.

In summary, real estate taxes are fundamental for sustaining the community, funding essential services, maintaining infrastructure, and enabling the Town to grow in a balanced and sustainable manner.