

EXHIBIT NO. 1

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5-7-07

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~~4-24-07~~

*City of Alexandria, Virginia*

MEMORANDUM

DATE: APRIL 18, 2007  
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL  
FROM: JAMES K. HARTMANN, CITY MANAGER   
SUBJECT: PROPOSED REAL AND PERSONAL PROPERTY TAX RATES ORDINANCE  
AND PROPOSED EFFECTIVE TAX RATE INCREASE FOR CALENDAR  
YEAR 2007 (FISCAL YEAR 2008)

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**ISSUE:** Proposed real and personal property tax rates

**RECOMMENDATION:** That City Council: (1) hold the public hearings on the "effective tax rate increase," as well as the public hearings on the ordinances which will set the 2007 real estate tax rate, as well as the 2007 personal property tax rates, and (2) hold the second reading and final passage on Monday, May 7, 2007, in conjunction with the adoption of the FY 2008 budget.

**DISCUSSION:** Under the requirements of the Virginia Code, City Council must annually establish a real property tax rate and personal property tax rates for each calendar year. The Virginia Code also establishes certain advertising and public hearing requirements prior to the adoption of these property tax rates. One of these State law requirements is that the rates that Council chooses to advertise are the highest rates Council can consider adopting.

Given these advertising and public hearing requirements of the State Code, the following is the schedule for calendar year 2007 (FY 2008):

<u>Date</u>	<u>Topic</u>
April 10:	Introduction of tax ordinances (held)
April 13:	Advertisement of public hearings on effective tax rate increase and property tax rates ordinances (done)
April 24:	Public hearing on the effective property tax rate increase and property tax rate ordinances
May 7:	Final adoption of the budget and tax ordinances

It should be noted, as further discussed below, that the State Code requires a separate public hearing (i.e., separate from the budget hearing) on the real property tax rate if the taxes levied for the year in which the proposed tax rate applies would increase by more than one percent (after the value of new construction has been deducted). This would be the case in CY 2007 because of the increased value of commercial properties.

Also, State law requires, in the circumstance of an increase in taxes levied in excess of 1%, to maintain or increase the current real property tax rate, that a special "notice of proposed real property tax increase" be placed in a local newspaper of general circulation. That separate hearing on the real property tax increase is planned to be held on April 24, with a special notice of the hearing date placed in the *Washington Times* on April 13 and the *Alexandria Gazette Packet* on April 19. (See Attachment I)

The total value of taxable real property within the City for 2007 has been assessed at \$34.2 billion including non-locally assessed properties. This reflects a 4.43% increase in total assessments. This increase was driven by a 13.3% increase in the value of commercial assessments plus an increase of 2.1% from new construction. This growth was tempered by a 2.9% drop in the average residential assessment. At the current tax rate of 81.5 cents, this would result in a drop in the average residential tax bill of \$124. At the advertised (i.e., maximum) tax rate of 83.5 cents, the average residential bill would drop \$22.

The FY 2008 Proposed Operating Budget, which was prepared under the 2.25% budget increase target set by Council, reflected no change to the real property tax rate of \$0.815 per \$100 of assessed value. The proposed budget and the proposed ordinance assumed the continuation of the dedication of 1 cent of the real estate tax rate for affordable housing, as well as one percent real estate tax revenues for open space.

The FY 2008 Proposed Operating budget also reflected no change to the various personal property tax rates (\$4.75 per \$100 of assessed value for tangible personal property, \$3.55 per \$100 of assessed value for vehicles with specially designed equipment for use by the physically disabled, \$4.50 per \$100 of assessed value for machinery and tools used in mining and manufacturing businesses, and \$0.01 per \$100 of assessed value for privately owned boats and watercraft that are used for recreational purposes only). The attached ordinance also assumes that the personal property rates for machinery and tools, specially equipped vehicles for the disabled, and boats would not change for 2007. If Council wished to establish a lower personal property tax rate for clean special fuel vehicles, it could choose to do so as part of the add/delete process and then take action officially creating that new tax classification on May 7 when all the property tax rates are set.

In order to determine real estate tax rate alternatives that Council could consider, the following chart has been prepared which shows four alternative rates and what the revenue impact would be of those rates. Based on the advertised rate, Council may consider any rate at 83.5 cents or below in increments of no smaller than 0.1 cent per increment.

FY 2008 PROPOSED REVENUE	SUMMARY OF REAL ESTATE TAX REVENUE OPTIONS	RATE PER \$100 ASSESSED VALUE	REVENUE IMPACT FY 2007*	REVENUE IMPACT FY 2008
\$273.0 million**	Keep the rate constant.	81.5 cents	\$0	\$0.0
	Increase the rate by 1 cent	82.5 cents	\$1.7 million	\$3.4 million
	Increase the rate by 1.5 cents	83.0 cents	\$2.6 million	\$5.1 million
	Increase the rate by 2.0 cents (advertised)	83.5 cents	\$3.4 million	\$6.8 million

\*A change to the tax rate would generate additional FY 2007 revenue which would be available in the form of fund balances for possible designation. The fund balances could be designated for some or all of the following: FY 2008 operating budget, the FY 2008 CIP, for other special needs, could be left as an undesignated fund balance, or could be designated to help fund retiree health and life insurance benefits.

\*\*Includes increase of 1.4% in FY 2008 estimated tax assessments. The FY 2008 Proposed Budget assumed no increase in tax assessments.

With the personal property tax rates advertised at the current rates, no options which would increase revenues above the proposed budget can be considered.

**OTHER REVENUE ALTERNATIVES:** City Council discussed other revenue alternatives at its April 10 meeting. Budget memo #14 included additional information on real estate and personal property tax rates, as well as other possible tax rate and fee changes. If Council wished to change any of these other tax or fee rates, Council was asked to direct staff to prepare any tax ordinances requiring introduction on April 24, with hearing and adoption on May 7 to finance the FY 2008 budget, which is scheduled for adoption on May 7. The only change that Council directed staff to prepare was for an increase to administrative fees on delinquent personal property tax payments. A separate docket item is being prepared for that purpose.

**FISCAL IMPACT:** An increase in the real estate tax rate from \$0.815 to \$0.835 on each \$100 of assessed value is expected to generate an additional \$3.4 million in FY 2007 and an additional \$6.8 million in FY 2008.

**ATTACHMENT:**

- (I) Effective Tax Rate Advertisement
- (II) Proposed Ordinance

**STAFF:**

Mark Jinks, Deputy City Manager  
Bruce Johnson, Director, Office of Management and Budget  
Laura Triggs, Acting Director, Finance  
Eric Eisinger, Budget Analyst, Office of Management and Budget



**The City of Alexandria, Virginia**  
**Notice of Proposed Budget**  
**For the Year Ending June 30, 2008**

The City Manager has recommended a General Operating budget totaling \$508.9 million and an All Funds budget totaling \$618.9 million. A Capital Improvement Program (CIP) for FY 2008 to FY 2013 has been proposed which totals \$383.4 million for this six year period, including \$64.9 million in proposed funding for FY 2008. The proposed budget and CIP both address the City Council's Strategic Plan in providing to meet the goals of:

1. Quality development and redevelopment that is well planned and consistent with Alexandria's vision.
2. An integrated, multi-modal transportation system that efficiently and effectively gets people from point "A" to point "B."
3. A caring community that is diverse and affordable.
4. A strong local economy that is growing in varied small businesses and job opportunities.
5. A City that respects, protects and enhances the natural environment.
6. A City government that is financially sustainable, efficient and community oriented.
7. Public schools that are among the best in Northern Virginia (in partnership with the Alexandria Schools).
8. A safe community maintained by high quality public safety organizations and judicial administrations.

The proposed budget and CIP are available for public review in the City's libraries and online at  
[www.alexandriava.gov/budget](http://www.alexandriava.gov/budget).

**NOTICE OF PROPOSED REAL PROPERTY TAX INCREASE**

This notice is required by State law. The tax rate was proposed in the City Manager's budget at \$0.815 to fund the FY 2008 Proposed Operating Budget and Capital Improvement Program. The City Council has authorized a proposed tax rate for advertising purposes of \$0.835. The tax rate may not exceed \$0.835, it could be less, and it will not be set until May 7, 2007.

The City of Alexandria proposes to increase the current property tax levies.

1. **Assessment Increase:** Total assessed value of real property, excluding additional assessments for new construction, or improvement to property, exceeds last year's total assessed value of real property by 2.07 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 \$0.798 per \$100 of assessed value. This rate will be known as the "lowered tax rate."
3. **Effective Rate Increase:** The City of Alexandria proposes to advertise a tax rate of \$0.835 per \$100 of assessed value. The difference between the lowered tax rate and the advertised tax rate would be \$0.037 per \$100, or a 4.6 percent increase. 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 advertised real property tax rate and changes in other revenues, the total budget of the City of Alexandria (including the General Fund and all Special Revenue grant funds and other sources) will exceed last year's by 2.2 percent.
5. Impact of Tax Exempt Properties: For 2007, the total estimated value of taxable and non-taxable locally and non-locally assessed real property within the City is \$38.8 billion, with \$1.1 billion as the estimate of the value of non-governmental tax exempt property, \$3.5 billion as the estimate of the value of governmental tax exempt property, and \$34.2 billion as the value of taxable property. The estimated amount of forgone annual real estate taxes from non-governmental tax exempt property is \$8.9 million at the proposed tax rate of \$0.835.

A public hearing on the increase will be held on Tuesday, April 24, 2007, at 7:00 p.m., at the City Council Chamber of City Hall, 301 King Street, Alexandria, Virginia. The hearing shall be open to the public. The governing body shall provide persons desiring to be heard an opportunity to present oral testimony within such reasonable time limits as shall be determined by the governing body.

All persons wishing to speak to this issue may contact the City Clerk and Clerk of Council located on the second floor, Room 2300, City Hall, or may appear and be heard after completing a Speakers form before Council.

Persons with disabilities who wish to request accommodation for this public hearing should contact the Office of the City Clerk and Clerk of Council at 838-4550 (TTY/TDD 838-5056) prior to Thursday, April 19, 2007, if possible.

Individuals with disabilities who require assistance or special arrangements, or who require language translation services to participate in the City Council meeting may call the City Clerk and Clerk of Council's Office at 838-4500. We request that you provide a 48-hour notice so that the proper arrangements may be made.

Introduction and first reading:	4/10/07
Public hearing:	4/24/07
Second reading and enactment:	5/7/07

INFORMATION ON AMENDMENT IN THE NATURE  
OF A SUBSTITUTE TO PROPOSED ORDINANCE

Title

AN ORDINANCE to amend and reordain Section 3-2-181 (LEVIED; AMOUNT) of Division 1 (REAL ESTATE), and Section 3-2-221 (LEVIED ON TANGIBLE PERSONAL PROPERTY OTHER THAN MOBILE HOMES, AUTOMOBILES, TRUCKS, ANTIQUE MOTOR VEHICLES, TAXICABS, MOTOR VEHICLES WITH SPECIALLY DESIGNED EQUIPMENT FOR USE BY THE HANDICAPPED, MOTORCYCLES, CAMPER AND OTHER RECREATIONAL VEHICLES, BOATS AND TRAILERS; AMOUNT), Section 3-2-222 (LEVIED ON MACHINERY AND TOOLS USED IN MINING OR MANUFACTURING BUSINESS; AMOUNT), Section 3-2-223 (LEVIED ON MOBILE HOMES; AMOUNT) and Section 3-2-224 (LEVIED ON AUTOMOBILES, TRUCKS, TRAILERS, SEMI-TRAILERS, ANTIQUE MOTOR VEHICLES, TAXICABS, MOTORCYCLES, CAMPER AND OTHER RECREATIONAL VEHICLES, BOATS AND TRAILERS; AMOUNT) of Division 3 (TANGIBLE PERSONAL PROPERTY AND MACHINERY AND TOOLS), all of Article M (LEVY AND COLLECTION OF PROPERTY TAXES), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981.

Summary

The proposed ordinance sets the city's 2007 tax rates for real property and tangible personal property. As approved on first reading, the ordinance sets the 2007 real property tax rate at \$0.835 on each \$100 of assessed value, compared with the 2006 rate of \$0.815. Personal property tax rates are unchanged from 2006. At the time of final passage, City Council has the authority to lower the tax rates set forth in the ordinance. The proposed ordinance would also conform the City Code to the amendments to the Personal Property Tax Relief Act of 1998 which were made by the General Assembly in 2005.

Sponsor

Staff

Mark Jinks, Deputy City Manager  
Laura Triggs, Acting Director of Finance  
Bruce Johnson, Director of Management and Budget  
Eric Eisinger, Budget Analyst  
Roderick B. Williams, Assistant City Attorney

Authority

Article X, § 4, Virginia Constitution  
§§ 2.02(a)(1), 6.15 Alexandria City Charter  
2005 Acts of Assembly, Chapter 951, Item 503.E

Estimated Costs of Implementation

None

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

AMENDMENT IN THE NATURE OF A SUBSTITUTE,  
INCORPORATING (1) THE TWO CENT REAL ESTATE TAX RATE INCREASE  
APPROVED ON FIRST READING, WHICH MAY BE REDUCED AT THE TIME OF  
FINAL PASSAGE, AND (2) TECHNICAL AMENDMENTS REQUESTED BY CITY  
ATTORNEY DEALING WITH CAR TAX RELIEF

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE to amend and reordain Section 3-2-181 (LEVIED; AMOUNT) of Division 1 (REAL ESTATE), and Section 3-2-221 (LEVIED ON TANGIBLE PERSONAL PROPERTY OTHER THAN MOBILE HOMES, AUTOMOBILES, TRUCKS, ANTIQUE MOTOR VEHICLES, TAXICABS, MOTOR VEHICLES WITH SPECIALLY DESIGNED EQUIPMENT FOR USE BY THE HANDICAPPED, MOTORCYCLES, CAMPERS AND OTHER RECREATIONAL VEHICLES, BOATS AND TRAILERS; AMOUNT), Section 3-2-222 (LEVIED ON MACHINERY AND TOOLS USED IN MINING OR MANUFACTURING BUSINESS; AMOUNT), Section 3-2-223 (LEVIED ON MOBILE HOMES; AMOUNT) and Section 3-2-224 (LEVIED ON AUTOMOBILES, TRUCKS, TRAILERS, SEMI-TRAILERS, ANTIQUE MOTOR VEHICLES, TAXICABS, MOTORCYCLES, CAMPERS AND OTHER RECREATIONAL VEHICLES, BOATS AND TRAILERS; AMOUNT) of Division 3 (TANGIBLE PERSONAL PROPERTY AND MACHINERY AND TOOLS), all of Article M (LEVY AND COLLECTION OF PROPERTY TAXES), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Section 3-2-181 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-181 Levied; amount.

There shall be levied and collected for the calendar year ~~2006~~ 2007 on all real estate located within the territorial boundaries of the city and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of ~~\$.815~~ \$.835 on each \$100 of the assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 2. That Section 3-2-221 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-221 Levied on tangible personal property other than mobile homes, automobiles, trucks, antique motor vehicles, taxicabs, motor vehicles with specially designed equipment for use by the handicapped, motorcycles, campers and other recreational vehicles, boats and boat trailers; amount.

There shall be levied and collected for the calendar year ~~2006~~ 2007 on all tangible personal property, other than mobile homes, automobiles, trucks, antique motor vehicles, taxicabs, motor vehicles with specially designed equipment for use by the handicapped, motorcycles, campers and other recreational vehicles, boats and trailers, owned or held by residents or citizens of the city or located within the territorial boundaries of the city or otherwise having a situs within the city and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of \$4.75 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 3. That Section 3-2-222 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-222 Levied on machinery and tools used in mining or manufacturing business; amount.

There shall be levied and collected for the calendar year ~~2006~~ 2007 on all machinery and tools used in a mining or manufacturing business taxable on capital and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of \$4.50 on each \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 4. That Section 3-2-223 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-223 Levied on mobile homes; amount.

There shall be levied and collected for the calendar year ~~2006~~ 2007 on all vehicles without motor power, used or designed to be used as mobile homes as defined in section 46.2-100 of the Code of Virginia, owned or held by residents or citizens of the city or located within the territorial boundaries of the city or otherwise having a situs within the city and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of ~~\$.845~~ \$.835 on each \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 5. That Section 3-2-224 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-224 Levied on automobiles, trucks, trailers, semi-trailers, antique motor vehicles, taxicabs, motorcycles, campers and other recreational vehicles, boats and trailers; amount.

(a) Except as provided in subsections (b), (c) and (d), there shall be levied and collected for the calendar year ~~2006~~ 2007 on all automobiles, trucks, trailers, semi-trailers, antique motor vehicles (as defined in section 46.2-100 of the Code of Virginia, 1950, as amended, which may be used for general transportation purposes as provided in subsection C of section 46.2-730 of the Code of Virginia, 1950, as amended), taxicabs, motorcycles, campers and other recreational vehicles, boats and boat trailers owned or held by residents or citizens of the city or located within the territorial boundaries of the city or otherwise having a situs for taxation in the city, a tax of \$4.75 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(b) There shall be levied on and collected for the calendar year ~~2006~~ 2007 on all automobiles, trucks, trailers and semi-trailers with a gross vehicle weight of 10,000 pounds or more which are used to transport property for hire by a motor carrier engaged in interstate commerce, and are owned or held by residents or citizens of the city, are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$4.50 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(c) There shall be levied on and collected for the calendar year ~~2006~~ 2007 on all automobiles and trucks which are equipped with specially designed equipment for use by the handicapped and are owned or held by residents or citizens of the city, are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$3.55 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(d) There shall be levied on and collected for the calendar year ~~2006~~ 2007 on all privately owned pleasure boats and watercraft, which are used for recreational purposes only, and are owned or held by residents or citizens of the city, or are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$.01 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(e) For tax years commencing in 2006, the City adopts the provisions of Item 503.E of Chapter 951 of the 2005 Acts of Assembly (the 2005 revisions to the 2004-06 Appropriations Act, the "2005 Appropriations Act"), providing for the computation of tax relief under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, as a specific dollar amount to be offset against the total taxes that would otherwise be due but for the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, and the reporting of such specific dollar relief on the tax bill.

(i) The City shall, following adoption of the annual budget adopted pursuant to Chapter 25 of Title 15.2 of the Code of Virginia and sections 6.01 through 6.15 of the City Charter, set the rate of tax relief under this subsection at such a level that it is anticipated fully to exhaust relief funds under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, provided to the City by the Commonwealth. Any amount of relief funds under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, provided to the City by the Commonwealth, not used within the City's fiscal year shall be carried forward and used to increase the funds available for personal property tax relief under this subsection in the following fiscal year.

(ii) Personal property tax bills shall set forth on their face the specific dollar amount of relief under this subsection credited with respect to each qualifying vehicle, together with an explanation of the general manner in which such relief is allocated.

(iii) Allocation of relief under this subsection shall be provided in accordance with the general provisions of this section, as implemented by the specific provisions of the City's annual budget relating to relief under this subsection.

(iv) Relief under this subsection shall be allocated in such as manner as to eliminate personal property taxation of each qualifying vehicle with an assessed value of \$1,000 or less.

(v) Relief under this subsection with respect to qualifying vehicles with assessed values of more than \$1,000 shall be provided at a rate, annually fixed in the City budget and applied to the first \$20,000 in value of each such qualifying vehicle, that is estimated fully to use all relief funds under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, provided to the City by the Commonwealth.

Section 6. That this ordinance shall become effective January 1, 2007, *nunc pro tunc*.

WILLIAM D. EUILLE  
Mayor

Introduction: 4/10/07  
First Reading: 4/10/07  
Publication:  
Public Hearing: 4/24/07  
Second Reading:  
Final Passage:

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~~5-08-07~~  
5-7-07

Mister Mayor, I move that City Council adopt on final passage the amendment in the nature of a substitute for the 2007 real and personal property tax rate ordinance, with the following amendments:

- a. Section 3-2-181 – change \$.835 to \$.830
- b. Section 3-2-223 – change \$.835 to \$.830

ORDINANCE NO. 4477

AN ORDINANCE to amend and reordain Section 3-2-181 (LEVIED; AMOUNT) of Division 1 (REAL ESTATE), and Section 3-2-221 (LEVIED ON TANGIBLE PERSONAL PROPERTY OTHER THAN MOBILE HOMES, AUTOMOBILES, TRUCKS, ANTIQUE MOTOR VEHICLES, TAXICABS, MOTOR VEHICLES WITH SPECIALLY DESIGNED EQUIPMENT FOR USE BY THE HANDICAPPED, MOTORCYCLES, CAMPERS AND OTHER RECREATIONAL VEHICLES, BOATS AND TRAILERS; AMOUNT), Section 3-2-222 (LEVIED ON MACHINERY AND TOOLS USED IN MINING OR MANUFACTURING BUSINESS; AMOUNT), Section 3-2-223 (LEVIED ON MOBILE HOMES; AMOUNT) and Section 3-2-224 (LEVIED ON AUTOMOBILES, TRUCKS, TRAILERS, SEMI-TRAILERS, ANTIQUE MOTOR VEHICLES, TAXICABS, MOTORCYCLES, CAMPERS AND OTHER RECREATIONAL VEHICLES, BOATS AND TRAILERS; AMOUNT) of Division 3 (TANGIBLE PERSONAL PROPERTY AND MACHINERY AND TOOLS), all of Article M (LEVY AND COLLECTION OF PROPERTY TAXES), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Section 3-2-181 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-181 Levied; amount.

There shall be levied and collected for the calendar year 2007 on all real estate located within the territorial boundaries of the city and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of \$.830 on each \$100 of the assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 2. That Section 3-2-221 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-221 Levied on tangible personal property other than mobile homes, automobiles, trucks, antique motor vehicles, taxicabs, motor vehicles with specially designed equipment for use by the handicapped, motorcycles, campers and other recreational vehicles, boats and boat trailers; amount.

There shall be levied and collected for the calendar year 2007 on all tangible personal property, other than mobile homes, automobiles, trucks, antique motor vehicles, taxicabs, motor vehicles with specially designed equipment for use by the handicapped, motorcycles, campers and other recreational vehicles, boats and trailers,

owned or held by residents or citizens of the city or located within the territorial boundaries of the city or otherwise having a situs within the city and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of \$4.75 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 3. That Section 3-2-222 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-222 Levied on machinery and tools used in mining or manufacturing business; amount.

There shall be levied and collected for the calendar year 2007 on all machinery and tools used in a mining or manufacturing business taxable on capital and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of \$4.50 on each \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 4. That Section 3-2-223 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-223 Levied on mobile homes; amount.

There shall be levied and collected for the calendar year 2007 on all vehicles without motor power, used or designed to be used as mobile homes as defined in section 46.2-100 of the Code of Virginia, owned or held by residents or citizens of the city or located within the territorial boundaries of the city or otherwise having a situs within the city and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of \$.830 on each \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 5. That Section 3-2-224 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-224 Levied on automobiles, trucks, trailers, semi-trailers, antique motor vehicles, taxicabs, motorcycles, campers and other recreational vehicles, boats and trailers; amount.

(a) Except as provided in subsections (b), (c) and (d), there shall be levied and collected for the calendar year 2007 on all automobiles, trucks, trailers, semi-trailers,

antique motor vehicles (as defined in section 46.2-100 of the Code of Virginia, 1950, as amended, which may be used for general transportation purposes as provided in subsection C of section 46.2-730 of the Code of Virginia, 1950, as amended), taxicabs, motorcycles, campers and other recreational vehicles, boats and boat trailers owned or held by residents or citizens of the city or located within the territorial boundaries of the city or otherwise having a situs for taxation in the city, a tax of \$4.75 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(b) There shall be levied on and collected for the calendar year 2007 on all automobiles, trucks, trailers and semi-trailers with a gross vehicle weight of 10,000 pounds or more which are used to transport property for hire by a motor carrier engaged in interstate commerce, and are owned or held by residents or citizens of the city, are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$4.50 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(c) There shall be levied on and collected for the calendar year 2007 on all automobiles and trucks which are equipped with specially designed equipment for use by the handicapped and are owned or held by residents or citizens of the city, are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$3.55 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(d) There shall be levied on and collected for the calendar year 2007 on all privately owned pleasure boats and watercraft, which are used for recreational purposes only, and are owned or held by residents or citizens of the city, or are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$.01 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(e) For tax years commencing in 2006, the City adopts the provisions of Item 503.E of Chapter 951 of the 2005 Acts of Assembly (the 2005 revisions to the 2004-06 Appropriations Act, the "2005 Appropriations Act"), providing for the computation of tax relief under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, as a specific dollar amount to be offset against the total taxes that would otherwise be due but for the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, and the reporting of such specific dollar relief on the tax bill.

(i) The City shall, following adoption of the annual budget adopted pursuant to Chapter 25 of Title 15.2 of the Code of Virginia and sections 6.01 through 6.15 of the City Charter, set the rate of tax relief under this

subsection at such a level that it is anticipated fully to exhaust relief funds under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, provided to the City by the Commonwealth. Any amount of relief funds under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, provided to the City by the Commonwealth, not used within the City's fiscal year shall be carried forward and used to increase the funds available for personal property tax relief under this subsection in the following fiscal year.

(ii) Personal property tax bills shall set forth on their face the specific dollar amount of relief under this subsection credited with respect to each qualifying vehicle, together with an explanation of the general manner in which such relief is allocated.

(iii) Allocation of relief under this subsection shall be provided in accordance with the general provisions of this section, as implemented by the specific provisions of the City's annual budget relating to relief under this subsection.

(iv) Relief under this subsection shall be allocated in such as manner as to eliminate personal property taxation of each qualifying vehicle with an assessed value of \$1,000 or less.

(v) Relief under this subsection with respect to qualifying vehicles with assessed values of more than \$1,000 shall be provided at a rate, annually fixed in the City budget and applied to the first \$20,000 in value of each such qualifying vehicle, that is estimated fully to use all relief funds under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, provided to the City by the Commonwealth.

Section 6. That this ordinance shall become effective January 1, 2007, *nunc pro tunc*.

WILLIAM D. EUILLE  
Mayor

Final Passage: May 7, 2007