

## City of Alexandria, Virginia

## MEMORANDUM

DATE: DECEMBER 9, 2004

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: ORDINANCE TO INCREASE THE AMOUNT OF LAND ELIGIBLE FOR THE REAL ESTATE TAX EXEMPTION AND DEFERRAL PROGRAM FOR THE ELDERLY AND DISABLED

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**ISSUE:** Consideration of an ordinance to increase the amount of land eligible for the real estate tax exemption and deferral program for the elderly and disabled.

**RECOMMENDATION:** That City Council pass the proposed ordinance (Attachment 1) on first reading and schedule it for public hearing, second reading and final passage on December 18, 2004. The proposed ordinance would increase the amount of land for which tax relief may be granted from one to two acres of land.

**DISCUSSION:** In recent years, the value of residential property has increased at a rate much greater than the rate of inflation. Elderly and disabled City residents who own relatively large parcels of land have seen their real estate taxes increase substantially. As a result, these residents may be encouraged by the marketplace to sell their land for in-fill development and move to less expensive housing. Council has made conserving open space a priority and part of the City's Strategic Plan, and providing an incentive that encourages elderly and disabled landowners to retain property they own as open space would advance the goal of conserving open space.

Recently, the Virginia Code was changed to permit the City to grant, within certain limits, elderly or disabled homeowners a tax exemption or deferral on their dwelling and up to 25 acres of non-income producing land upon which the dwelling is situated. Before this change, state law limited the program to one acre of land. The proposed ordinance increases the amount of land eligible for tax relief from one to two acres. Land in excess of two acres would be eligible for the proposed open space assessment program (see Docket Item #15).

**FISCAL IMPACT:** Staff believes that this ordinance will result in a small increase in the cost of the tax relief for the elderly and disabled program. In the past several years, no elderly or disabled person possessing between one and two acres of land has applied for the program. (Currently, 880 households participate in this program.) However, there may be in the future an elderly or disabled person who wishes to do so.

**ATTACHMENT:** Proposed Ordinance

**STAFF:**

Mark Jinks, Assistant City Manager

D. A. Neckel, Director of Finance

Cindy Smith-Page, Director, Real Estate Assessments

Introduction and first reading: 12/14/04  
Public hearing: 12/18/04  
Second reading and enactment: 12/18/04

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INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE to amend and reordain Section 3-2-161 (DEFINITIONS) of Article L (REAL ESTATE TAX RELIEF), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended.

Summary

The proposed ordinance increases from one acre to two acres the maximum amount of land excluded in calculating the net worth of an elderly or disabled applicant for real estate tax relief.

Sponsor

Staff

Mark Jinks, Assistant City Manager  
Daniel A. Neckel, Director of Finance  
Karen S. Snow, Assistant City Attorney

Authority

§ 58.1-3210, Code of Virginia

Estimated Costs of Implementation

None

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

None

AN ORDINANCE to amend and reordain Section 3-2-161 (DEFINITIONS) of Article L (REAL ESTATE TAX RELIEF), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Subsection (6) of Section 3-2-161 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:

(6) Net combined financial worth of applicant. The value of all assets of an applicant, of an applicant's spouse and of any other person who is an owner of and resides in the applicant's dwelling, calculated as of December 31 of the calendar year immediately preceding the taxable year; provided, that the value of the applicant's dwelling, of household furnishings in the dwelling and of up to ~~one~~ two acres of the land on which the dwelling is situated shall be excluded.

Section 2. That this ordinance shall become effective on January 1, 2005.

WILLIAM D. EUILLE  
Mayor

Introduction: 12/14/04  
First Reading: 12/14/04  
Publication:  
Public Hearing:  
Second Reading:  
Final Passage:

17  
12-18-04



"Chet Avery"  
<savery@erols.com>  
12/15/2004 02:20 PM

"William Euille" <alexvamayor@aol.com>, "Rob Krupicka"  
To <krobk@aol.com>, "Redella Pepper" <delpepper@aol.com>, "Paul  
Smedberg" <smedbergpc@aol.com>, "Ludwig Gaines (E-mail 2)"  
"Tiffanie Carrington" <tiffanie.carrington@alexandriava.gov>,  
cc "MaryAnn Griffin" <maryann.griffin@alexandriava.gov>,  
"Kathryn Cunningham" <kathryn.cunningham2@verizon.net>,  
bcc  
Subject Fw: docket item #16 Tax Relief for Elderly and Disabled Persons

This is to inform you and City Staff that the Alexandria Commission on Persons with Disabilities strongly supports this ordinance change in real estate tax relief for elderly and disabled persons that was docketed for First Reading on December 14 and for public hearing on Saturday, December 18.

You should be commended for this proactive ordinance change designed to provide tax relief to elderly and disabled persons whose income is often limited or fixed.

Chet Avery, Chair  
ACPD  
Chet and Sabra Avery  
16 East Linden Street  
Alexandria, Virginia 22301  
703 549-4617

----- Original Message -----  
From: <Jackie.Henderson@alexandriava.gov>  
To: <savery@erols.com>  
Sent: Thursday, December 09, 2004 2:38 PM  
Subject: docket item #16 as requested

- > Introduction and first reading:
- > 12/14/04
- > Public hearing:
- > 12/18/04
- > Second reading and enactment:
- > 12/18/04

INFORMATION ON PROPOSED ORDINANCE

- > Title
- > AN ORDINANCE to amend and reordain Section 3-2-161 (DEFINITIONS) of Article L (REAL ESTATE TAX RELIEF), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended.
- > Summary
- > The proposed ordinance increases from one acre to two acres the maximum

- > amount of land excluded in calculating the net worth of an elderly or
- > disabled applicant for real estate tax relief.
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- > Sponsor
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- > Staff
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- > Mark Jinks, Assistant City Manager
- > Daniel A. Neckel, Director of Finance
- > Karen S. Snow, Assistant City Attorney
- >
- > Authority
- >
- > § 58.1-3210, Code of Virginia
- >
- > Estimated Costs of Implementation
- >
- > None
- >
- > Attachments in Addition to Proposed Ordinance and Its Attachments (if any)
- >
- > None

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

- > AN ORDINANCE to amend and reordain Section 3-2-161 (DEFINITIONS) of Article
- > L (REAL ESTATE TAX RELIEF), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended.

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- > the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby
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- > assets of an applicant, of an applicant's spouse and of any other person
- > who is an owner of and resides in the applicant's dwelling, calculated as
- > of December 31 of the calendar year immediately preceding the taxable year;
- > provided, that the value of the applicant's dwelling, of household
- > furnishings in the dwelling and of up to one two acres of the land on
- > which
- > the dwelling is situated shall be excluded.

- > Section 2. That this ordinance shall become effective on
- > January
- > 1, 2005.

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- > Introduction: 12/14/04
- > First Reading: 12/14/04
- > Publication:
- > Public Hearing:
- > Second Reading:
- > Final Passage:
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- > Jackie M. Henderson
- > City Clerk and Clerk of Council

ORDINANCE NO. 4367

AN ORDINANCE to amend and reordain Section 3-2-161 (DEFINITIONS) of Article L (REAL ESTATE TAX RELIEF), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended.

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WILLIAM D. EUILLE  
Mayor

Final Passage: December 18, 2004