

INTRODUCED: December 15, 2025

AN ORDINANCE No. 2025-282

As Amended

To amend ch. 26, article V, div. 2 of the City Code by adding therein a new section 26-370, concerning a deferral program for certain real estate taxes pursuant to and in accordance with Code of Virginia § 58.1-3219.

Patrons – All Members of Council

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JAN 26 2026 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Chapter 26, Article V, Division 2 of the Code of the City of Richmond (2020) be and is hereby **amended** by adding therein a new section numbered 26-370 as follows:

Sec. 26-370. Real Estate Tax Deferral for Qualified Owner-Occupied Properties; Reporting and Evaluation of Deferral Program.

(a) *Deferral authorized.* Deferral of all or a portion of any real estate tax levy in excess of 105% of the prior year’s real estate tax levy for the same real estate is authorized for real estate owned and occupied as the sole dwelling of the applying taxpayer in accordance with the criteria set out in Code of Virginia, Title 58.1, Ch. 32, Art. 2.1 (Code of Virginia, § 58.1-3219 et seq.) and the terms and conditions of this section for tax years commencing on and after January 1, [2027]

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: JUN 8 2026 REJECTED: _____ STRICKEN: _____

2028. The accumulated amount of tax deferred and interest shall constitute a lien upon the real estate and, except as provided in subsection (j) of this section, must be paid within a maximum term of ten years from the deferral date. Real estate taxes deferred in accordance with this program shall be considered non-delinquent for purposes of subsection (c)(3) of this section and for other City programs for which non-delinquency of real estate taxes is a condition of the program.

(b) *Implementation plan.* The Deputy Chief Administrative Officer for Finance and Administration or the designee thereof shall submit to the Finance and Economic Development Standing Committee no later than five business days prior to such committee's December, 2026, meeting a preliminary implementation plan for the tax deferral program authorized by this section, with a final implementation plan submitted to said committee no later than five business days prior to such committee's regularly scheduled meeting for February, 2027. The preliminary implementation plan and the final implementation plan shall include a detailed description of any proposed rules and regulations for the program pursuant to subsection (c) of this section; an itemization of full-time equivalent program staffing and the amount to be spent on a third-party program administration contract, if any; and proposed performance metrics, including, but not limited to, application processing times and customer satisfaction survey scores.

~~[(b)]~~ (c) *Administration of deferral.* The tax deferral program shall be administered by the Director of Finance in accordance with section 26-363(b). The Director of Finance is hereby authorized and empowered to prescribe, promulgate, and enforce rules and regulations, including the requirement of answers under oath, as may be reasonably necessary to determine qualifications for deferral as specified by this section.

(1) The Assessor of Real Estate shall publish the median assessed value for residential and condominium properties annually by no later than November 1.

(2) The Director of Finance shall ensure that real estate tax bills clearly delineate the amount of taxes deferred and interest charged on deferred taxes per tax year.

(3) Notwithstanding the provisions of Section 26-3.1, real estate tax payments made for a property for which taxes have been deferred pursuant to this section shall be applied to the current tax year first, with any excess payment amounts applied to the principal balance of deferred taxes.

~~[(e)]~~ (d) *Eligibility for deferral program.* Eligibility for the real estate tax deferral program is restricted to those properties meeting the following criteria:

- (1) Owned and occupied as the sole dwelling of the taxpayer;
- (2) Assessed value is less than or equal to 200% of the median assessed value for residential properties in the most recent tax year; and
- (3) Not delinquent on any real estate tax obligations.

~~[(d)]~~ (e) *Limitations on eligibility for deferral program.* The deferral program shall not apply to the following:

- (1) Real estate which participates in the real estate tax relief or freeze programs for elderly persons under Section 26-364 or the real estate tax relief or freeze programs for the permanently or totally disabled pursuant to Section 26-365;
- (2) Persons who are delinquent on any real estate tax obligations; and
- (3) Real estate assessed on the basis of use value pursuant to Code of Virginia § 58.1-3230 et seq.

~~[(e)]~~ (f) *Interest on deferred taxes.* Interest on taxes deferred in accordance with this section shall be charged annually at a rate of 2% or the rate established pursuant to Section 6621

of the Internal Revenue Code, whichever is less. Funds derived from interest shall be used for program administration, with any remaining interest being credited to the general fund.

~~[(f)]~~ (g) *Maximum amount of deferred real estate taxes.* The lifetime maximum amount of accumulated deferred taxes and interest is [~~\$50,000~~] \$25,000 per eligible property.

~~[(g)]~~ (h) *Applying for deferral or continued participation in deferral program.* Property owners must apply for the deferral program or submit certification of intent to continue enrollment each year for which they want to defer all or a portion of real estate taxes above the 105% threshold, up to the ten-year maximum per deferral. Applications to enroll in the program or certifications of intent to continue enrollment each year shall state the amount of the tax that the property owner desires to have deferred for the tax year, which amount shall not exceed that portion of the tax bill for the property that exceeds 105% of the amount due on the property for the previous year. The application or certification shall also include such supporting documentation as the Director of Finance may require. Nonetheless, the Director of Finance shall use publicly available information from the Assessor of Real Estate to the maximum extent possible for the purpose of verifying information and streamlining the application process for taxpayers.

~~[(h)]~~ (i) The application or certification shall be filed by no later than January 14th of the tax year for which deferral is sought.

~~[(i)]~~ (j) *Program provisions related to property transfer, joint ownership, or owner death.* The accumulated amount of deferred taxes and interest shall be paid to the City by the property owner upon the sale or transfer of the property, or from the estate of the decedent within one year after the death of the owner. If the real estate is owned jointly and all such owners applied and qualified for the deferral program, the death of one of the joint owners shall not disqualify the

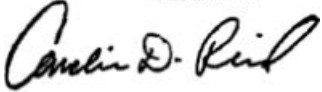
survivor or survivors from participating in the deferral program. All accumulated deferred taxes and interest shall be paid within one year of the date of death of the last qualifying owner.

~~(j)~~ (k) *Annual reporting and evaluation of deferral program.* Beginning January 30, ~~2028~~ 2029, and each year thereafter, the Director of Finance shall report to the Finance and Economic Development standing committee and to the Council no later than January 30 the following:

- (1) Full-time equivalent staff dedicated to program administration; program staffing costs; and any other program spending;
- (2) Number of program participants;
- (3) Total amount of real estate taxes deferred by tax year;
- (4) Total interest charged on deferred real estate taxes; and
- (5) Average amount of accumulated taxes deferred and interest.

The report shall include evaluation of program effectiveness, to include data on customer satisfaction among program participants, and recommendations for program continuance, discontinuance, or modification.

§ 2. This ordinance shall be in force and effect upon adoption.

A TRUE COPY:
TESTE:

City Clerk

MOTION TO AMEND

To amend Ord. No. 2025-282, which amends ch. 26, article V, div. 2 of the City Code by adding therein a new section 26-370, concerning a deferral program for certain real estate taxes pursuant to and in accordance with Code of Virginia § 58.1-3219, to extend the implementation date of and modify the requirements for the program.