

INTRODUCED: February 12, 2018

A RESOLUTION No. 2018-R017

To set the rate of personal property tax relief for qualifying vehicles for the 2018 tax year pursuant to City Code §§ 26-495—26-497.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: FEB 26 2018 AT 6 P.M.

WHEREAS, Ordinance No. 2005-302-258, adopted November 14, 2005, ordained sections 26-495 through 26-497 to the Code of the City of Richmond (2015), as amended; and

WHEREAS, section 26-496(b) of the Code of the City of Richmond (2015), as amended, required the City Council to annually set the rate of personal property tax relief at such a level as is anticipated to exhaust fully the personal property tax relief funds provided to the City by the Commonwealth of Virginia; and

WHEREAS, the Council desires to set the rate of personal property tax relief as required by section 26-496(b) of the Code of the City of Richmond (2015), as amended, to facilitate the timely issuance of personal property tax bills by the City;

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: FEB 26 2018 REJECTED: _____ STRICKEN: _____

NOW THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

1. That, pursuant to section 26-496(b) of the Code of the City of Richmond (2015), as amended, the Council hereby sets the rate of personal property tax relief by authorizing the Director of Finance to establish a personal property tax relief rate (i) of 100 percent for the 2018 tax year on the value of qualifying vehicles with an assessed value of \$1,000 or less in accordance with section 26-496(b) of the Code of the City of Richmond (2015), as amended, and (ii) not greater than 53 percent for the 2018 tax year on the value of qualifying vehicles with an assessed value greater than \$1,000 but less than or equal to \$20,000. Vehicles with an assessed value greater than \$20,000 shall not be eligible for tax relief on that portion of the assessed value in excess of \$20,000.

2. This resolution shall be in force and effect as of January 1, 2018.



CITY OF RICHMOND
INTRACITY CORRESPONDENCE

O & R REQUEST
4-7445
JAN 19 2018
Office of the
Chief Administrative Officer

O&R REQUEST

DATE: January 19, 2018 EDITION: 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor [Signature] 2/7/18

THROUGH: Selena Cuffee-Glenn, Chief Administrative Officer [Signature]

THROUGH: Lenora G. Reid, Deputy CAO, Finance and Administration [Signature]

FROM: John B. Wack, Director of Finance [Signature]

RE: 2018 Personal Property Tax Relief Rate Resolution

RECEIVED
FEB 07 2018
OFFICE OF CITY ATTORNEY

ORD. OR RES. No. _____

PURPOSE: To authorize the Director of Finance of the City of Richmond to establish the personal property tax relief rate for the 2018 tax year at such a level that is anticipated to fully exhaust personal property tax relief funds provided to the City by the Commonwealth of Virginia.

REASON: To implement the personal property tax relief rate for the City of Richmond pursuant to Ordinance 2005-302-258 adopted by City Council on November 28, 2005.

RECOMMENDATION: The City Administration recommends adoption of this resolution.

BACKGROUND: The 2005 Session of the Virginia General Assembly changed the Personal Property Tax Relief Act of 1998. Instead of reimbursing localities for property taxes assessed on personal use vehicle at a percentage of the tax assessment, the Commonwealth's obligation for tax relief was capped at \$950 million annually.

Each locality receives a portion of the \$950 million appropriated for tax relief based on the reimbursements from the Commonwealth in the 2004 tax year. The City of Richmond receives \$16.708 million from the Commonwealth. In November 2005, Richmond City Council adopted an ordinance to establish the general manner in which tax relief would be allocated.

In the 2018 tax year, the City will allocate the amount received from the Commonwealth to owners of vehicles that qualify for tax relief based in the assessed values of vehicles as of January 1, 2018. In order to fully exhaust the funds provided by the Commonwealth for tax relief, the rate of relief should be set as follows:

- 53% for owners of qualifying vehicles with an assessed value greater than \$1,000 but less than \$20,001.
- For those owners whose vehicles are assessed with a value of greater than \$20,000, they will receive tax relief at a rate of 53% for the amount of the assessment up to \$20,000. For the assessment that exceeds \$20,000, the taxpayer will receive no tax relief.
- Owners of vehicles with an assessed value of \$1,000 or less shall receive property tax relief of 100% as directed by Richmond City Council on November 28, 2005 with ordinance 2005-302-258.

FISCAL IMPACT / COST: None

FISCAL IMPLICATIONS: This will ensure that the City receives its due portion of both local personal property taxes and State personal property tax relief in 2018.

BUDGET AMENDMENT NECESSARY: No

REVENUE TO CITY: None

DESIRED EFFECTIVE DATE: Upon Adoption

REQUESTED INTRODUCTION DATE: February 12, 2018

CITY COUNCIL PUBLIC HEARING DATE: February 26, 2018

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: Department of Finance

RELATIONSHIP TO EXISTING ORD. OR RES.: 2005-302-258

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: None

STAFF: Gerard Durkin, Management Analyst II 646-7657
Ramon Mortensen, Management Analyst I 646-1789