

INTRODUCED: February 12, 2024

A RESOLUTION No. 2024-R005

To set the rate of personal property tax relief for qualifying vehicles for the 2024 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 2024 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 (2020), as amended; and

WHEREAS, section 26-496(b) of the Code of the City of Richmond (2020), 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 (2020), as amended, to facilitate the timely issuance of personal property tax bills by the City;

NOW THEREFORE,

AYES: 8 NOES: 0 ABSTAIN: _____

ADOPTED: FEB 26 2024 REJECTED: _____ STRICKEN: _____

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 (2020), 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 2024 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 (2020), as amended, and (ii) not greater than 22.0 percent for the 2024 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.

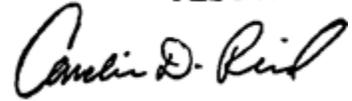
2. This resolution shall be in force and effect as of January 1, 2024.

APPROVED AS TO FORM:



Assistant City Attorney

**A TRUE COPY:
TESTE:**



City Clerk



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Master

File Number: Admin-2024-0123

File ID: Admin-2024-0123	Type: Request for Ordinance or Resolution	Status: Regular Agenda
Version: 1	Reference:	In Control: City Clerk Waiting Room
Department:	Cost:	File Created: 02/06/2024
Subject:	Final Action:	
Title:		

Internal Notes:

Code Sections:

Agenda Date: 02/12/2024

Indexes:

Agenda Number:

Patron(s):

Enactment Date:

Attachments: Res - Personal Property Tax Relief AATF

Enactment Number:

Contact:

Introduction Date:

Drafter: Jessica.Singer@rva.gov

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	2/6/2024	Sheila White	Approve	2/7/2024
1	2	2/6/2024	Sabrina Joy-Hogg	Approve	2/7/2024
1	3	2/6/2024	Lincoln Saunders	Delegated	
Notes: Delegated: Out Of Office					
1	4	2/6/2024	Sabrina Joy-Hogg	Approve	2/8/2024
1	5	2/6/2024	Mayor Stoney	Approve	2/7/2024

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File Admin-2024-0123

City of Richmond

Intracity Correspondence

O&R Transmittal

DATE: Wednesday, January 24, 2024

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

THROUGH: Sabrina Joy-Hogg, Deputy Chief Administrative Officer - Finance and Administration
Portfolio

FROM: Sheila White, Director of Finance

RE: 2024 Personal Property Tax Relief Rate Resolution

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 2024 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.

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. As a result, the City of Richmond receives \$16.708 million from the Commonwealth annually. In November 2005, Richmond City Council adopted an ordinance to establish the general way tax relief would be allocated.

In order to fully exhaust the funds provided by the Commonwealth for tax relief, the rate of relief should be set as follows:

- 22.0 % 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 22.0% 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 via Ordinance 2005-302-258.

Please note that the 2024 tax year rate is the actual calculated rate after the City Council approved the freeze and stair-step approach in tax years 2022 and 2023, respectively. For information about the freeze and stairstep approach please see RES. 2023-R009 and RES. 2022-R024.

COMMUNITY ENGAGEMENT:

The 2024 rate will be included on qualifying 2024 personal property tax bills.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL:

N/A

FISCAL IMPACT:

N/A

DESIRED EFFECTIVE DATE:

Upon adoption

REQUESTED INTRODUCTION DATE:

Monday, February 12, 2024, City Council Meeting

CITY COUNCIL PUBLIC HEARING DATE:

Monday, February 26, 2024, City Council Meeting

REQUESTED AGENDA:

Regular

RECOMMENDED COUNCIL COMMITTEE:

Thursday, February 15, 2024, Finance and Economic Development Subcommittee Meeting

AFFECTED AGENCIES:

Department of Finance

RELATIONSHIP TO EXISTING ORD. OR RES.:

RES. 2023-R009 and RES. 2022-R024

ATTACHMENTS:

N/A

STAFF:

Robert Floyd, Deputy Director of Finance - Revenue