

INTRODUCED: March 14, 2016

AN ORDINANCE No. 2016-092

To amend City Code § 12-32, concerning the disposition of funds from the sale of real estate and certain insurance proceeds, for the purpose of providing that real estate tax revenues from former school properties that the City has sold be set aside for the operations of the School Board of the City of Richmond.

\_\_\_\_\_  
Patron – Mr. Agelasto and Mr. Baliles

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Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: MAR 28 2016 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That section 12-32 of the Code of the City of Richmond (2015) be and is hereby amended and reordained as follows:

**Sec. 12-32. Disposition of funds from sale of real estate and certain insurance proceeds.**

(a) *Utility properties.* When payments are made to the City of money arising from the sales of real estate acquired with funds provided by the gas utility, water utility, wastewater utility, stormwater utility or electric utility or from insurance payments for insured structures used by the gas utility, water utility, wastewater utility, stormwater utility or electric utility totally or

AYES:            8            NOES:            0            ABSTAIN: \_\_\_\_\_

ADOPTED:    APR 11 2016    REJECTED: \_\_\_\_\_    STRICKEN: \_\_\_\_\_

substantially destroyed by fire or other causes, the Director of Finance shall credit such receipts to the Gas Utility Renewal Fund, Water Utility Renewal Fund, Wastewater Utility Renewal Fund, Stormwater Utility Renewal Fund or Electric Utility Renewal Fund, as the case may be.

(b) *School properties.*

(1) When payments are made to the City of money arising from the sales of real estate owned by the City in accordance with Section 8-11 or transferred to the City in accordance with Code of Virginia, § 22.1-129, the Director of Finance shall credit such receipts, except for the withholding described in Subsection (b)(2) of this section, to a special reserve assigned to support public schools in the City. The City Council may appropriate funds from this reserve for the construction of new public school facilities or for the capital repair or renovation of existing active school properties.

(2) The Director of Finance shall withhold from the payments described in Subsection (b)(1) of this section the City's actual costs incurred for maintenance, upkeep and sale of the real estate from the time the City assumes control of the property until the property is sold. The City's costs incurred may include, but shall not be limited to, boarding windows and building safety, maintaining grass and landscaping, security, repairs related to roofing and other internal systems, operating and maintaining pipes and other utilities, marketing expenses, reproduction of building plans, advertising, closing costs, including attorney's fees, and appraisal services.

(3) When payments of real estate taxes from properties described in Subsection (b)(1) of this section are made to the City, the Director of Finance shall credit such receipts to a special reserve assigned to support the educational curriculum and programming of public schools in the City. The City Council may appropriate funds from this special

reserve for the general operating budget of public schools as submitted by the School Board of the City of Richmond.

(c) *Parks, recreation and community facilities properties.* When payments are made to the City of money arising from the sales of real estate owned by the City and last used before such sale by the Department of Parks, Recreation and Community Facilities, the Director of Finance shall credit such receipts to a special reserve assigned to fund improvements, enhancements and upgrades to Department of Parks, Recreation and Community Facilities properties. The City Council may appropriate funds from this reserve to fund improvements, enhancements and upgrades to Department of Parks, Recreation and Community Facilities properties.

(d) *Other City properties.* When payments are made to the City of money arising from the sales of all other real estate or from insurance payments for all other insured structures totally or substantially destroyed by fire or other causes, the Director of Finance shall credit such receipts to the reserve fund for permanent public improvements.

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



# Richmond City Council

The Voice of the People

Richmond, Virginia

3-14

## Office of the Council Chief of Staff

### Ordinance/Resolution Request

**TO** Allen Jackson, Richmond City Attorney  
Richmond Office of the City Attorney

**THROUGH** Lou Brown All *LB*  
Council Chief of Staff

**FROM** William E. Echelberger, Jr, Council Budget Analyst

**COPY** Parker C. Agelasto, 5<sup>th</sup> District Representative  
Haskell Brown, Deputy City Attorney  
Vincent Jones, Deputy Council Chief of Staff *V. Jones*  
Ida I Jones, 5<sup>th</sup> District Council Liaison

**RECEIVED**

MAR 11 2016

**DATE** February 23, 2016

OFFICE OF CITY ATTORNEY

**PAGE/s** 1 of 2

**TITLE** Earmark Property Tax Revenue from Former Richmond Public School Properties

This is a request for the drafting of an **Ordinance**  **Resolution**

**REQUESTING COUNCILMEMBER/PATRON**

Parker C. Agelasto, 5<sup>th</sup> District Representative

**SUGGESTED STANDING COMMITTEE**

Finance and Economic Development

**ORDINANCE/RESOLUTION SUMMARY**

**Redevelopment and Development Projects**

- The Patron requests an ordinance to earmark property tax revenue from City properties formerly utilized by Richmond Public Schools that have been returned to the City of Richmond and subsequently sold. Funds generated by such sales will be reserved in a new Special Fund titled the Richmond Public Schools Operations Fund, and will be disbursed to the School Board of Richmond to be used to fund its annual operations.

**BACKGROUND**

**Summary:** This ordinance was originally introduced in 2013 as Ordinance No. 2013-161. A copy is attached.

Section 98-121 of the City of Richmond City Code establishes the real estate tax rate at one dollar and twenty cents (\$1.20) for each one hundred dollars (\$100) of assessed valuation. However, like other public and not-for-profit properties, School Board properties are not taxed. When properties formerly utilized by Richmond Public Schools are subsequently sold by the City of Richmond or its designated agent they are once again subject to the real estate tax. This ordinance will reserve property tax revenue generated by these former school properties in a new Richmond Public Schools Operations Fund.

**Fiscal Impact:** The fiscal impact of the requested ordinance is dependent on the value of current school properties that have been sold and are subject to taxation.

**FISCAL IMPACT STATEMENT**

Fiscal Impact Yes  No

Budget Amendment Required Yes  No

Estimated Cost or Revenue Impact

Fiscal Summary

The fiscal impact of the requested ordinance will vary from year to year. See the Fiscal Impact section under Background.

**Attachment/s** Yes  No

Richmond City Council Ordinance/Resolution Request Form/updated 10.5.2012 /sis