

INTRODUCED: December 17, 2018

AN ORDINANCE No. 2018-313

To amend Ord. No. 2018-057, adopted May 14, 2018, which adopted the Fiscal Year 2018-2019 General Fund Budget, by increasing anticipated revenues from real estate taxes and the amount appropriated to the Non-Departmental agency, Tax Relief – Elderly/Disabled line item by \$400,000.00 for the purpose of providing additional funding to cover tax relief for the elderly and disabled pursuant to City Code §§ 26-364—26-365.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JAN 14 2019 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Ordinance No. 2018-057, adopted May 14, 2018, which adopted the General Fund Budget for the fiscal year commencing July 1, 2018, and ending June 30, 2019, is hereby amended by increasing anticipated revenues from real estate taxes by \$400,000.00 and by appropriating funds in the total amount of \$400,000.00 to the Non-Departmental agency, Tax Relief – Elderly/Disabled line item, for the purpose of providing additional funding to cover tax relief for the elderly and disabled pursuant to City Code §§ 26-364—26-365.

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

AYES: 8 NOES: 0 ABSTAIN: _____

ADOPTED: JAN 14 2019 REJECTED: _____ STRICKEN: _____



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

O & R REQUEST

4-8368

NOV 19 2018

Office of the
Chief Administrative Officer

O&R REQUEST

DATE: November 15, 2018

EDITION: 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

JS 11/30/18

THROUGH: Selena Cuffee-Glenn, Chief Administrative Officer

THROUGH: Lenora G. Reid, DCAO for Finance & Administration

LC

THROUGH: Jay A. Brown, Director of Budget & Strategic Planning

JAB

FROM: John B. Wack, Director of Finance

JBW

RE: Appropriation of Revenue to Support Tax Relief for the Elderly and Disabled

ORD. OR RES. No. _____

PURPOSE: To amend Ordinance 2018-057, adopted May 14, 2018, which adopted the FY2019 General Fund budget, by appropriating \$400,000 in current real estate tax revenue above the adopted budget amount to increase funding for Tax Relief for the Elderly and Disabled.

REASON: The appropriation of these funds is intended to alleviate the need to reduce/prorate 2019 tax relief for those participants otherwise deemed eligible.

RECOMMENDATION: The City Administration recommends adoption of this ordinance.

BACKGROUND: During the FY2019 budget process, the Non-Departmental expense for Tax Relief for the Elderly and Disabled was reduced from \$3,000,000 in FY2018 to \$2,700,000 in FY2019. The budgeted amount was reduced to better coincide with the average amount of actual tax relief granted each year, which averaged \$2.66 million from 2012 through 2017.

In July 2018, Finance staff confirmed that \$2,802,624 in tax relief was granted in FY2018, which was somewhat of an unexpected increase. Given that residential real estate assessments increased citywide for Tax Year 2019, Finance staff anticipates that requests for tax relief will likely grow in concert with the respective real estate tax bills, even with no changes in the household income and net worth eligibility guidelines relative to the prior year.

Section 26-364(j) of Richmond City Code states: "In any tax year in which the amount appropriated by the City Council for the purpose of providing real estate tax relief for the elderly shall not be sufficient to afford the entire relief allowable ..., the amount of exemption or freeze shall be computed as a fraction of that produced under the formula set out". In order to reduce the potential that eligible tax relief participants will have their 2019 tax relief prorated due to budget limitations, staff recommends that the FY2019 Tax Relief for the Elderly and Disabled budget be increased by \$400,000 to \$3,100,000. This can be accomplished by appropriating current real estate taxes above the amount included in the FY2019 Adopted budget, as taxable real estate assessments as of July 1, 2018 ended up being slightly higher than the amount that had been estimated by the City Assessor in April 2018.

SOURCE:

☒ New/increased revenue

☐ Existing general fund

☐ Fund Balance/Reserve/Contingency/Other Funding Source

FISCAL IMPACT/COST (current FY):

- **If Adopted:** Participants in the Tax Relief for the Elderly and Disabled program are more likely to receive the full amount of what they are otherwise eligible to receive in 2019.
- **If Not Adopted:** Participants in the Tax Relief for the Elderly and Disabled program are likely to receive only a prorated amount of what they are otherwise eligible to receive in 2019.

FISCAL IMPLICATIONS: This will increase the FY2019 budget for tax relief. A similar increase is likely to be needed in FY2020 and future years.

BUDGET AMENDMENT NECESSARY: Yes, this will amend the FY2019 general fund budget Ordinance 2018-057 through the appropriation of additional general fund revenue.

REVENUE TO CITY: The Director of Finance has confirmed that the additional \$400,000 is available for appropriation.

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: December 10, 2018

CITY COUNCIL PUBLIC HEARING DATE: January 14, 2019

REQUESTED AGENDA: Consent.

RECOMMENDED COUNCIL COMMITTEE: Finance and Economic Development

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: Finance and Budget and Strategic Planning

RELATIONSHIP TO EXISTING ORD. OR RES.: 2018-057

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: None

STAFF: John Wack, Director of Finance 646-5776

GENERAL FUND TRANSFER BUDGET ITEM DETAIL:

☐ Existing Item – You must show the total appropriation/s for each budget item for your agency EXCEPT the budget item to receive funds

☒ Existing Item – You must show the total appropriation for each modified budget item to receive funds, for your agency

OR

☐ New Item – You must show the total appropriation for each modified budget item to receive funds, for your agency

*for a new item you must reference the next corresponding item # with a (.) decimal point, see ordinance #2018-057, FY2019 Program Level Budget)

<u>TO</u>					
<u>Item #</u>	<u>Title</u>	<u>Program</u> <u>(cost center</u> <u>#)</u>	<u>Subprogram</u> <u>(service code #)</u>	<u>Transfer</u> <u>Amount/New</u> <u>Amount</u>	<u>New Appropria-</u> <u>tion Amount</u>
<u>243</u>	<u>Non-</u> <u>Departmental: Tax</u> <u>Relief for the El-</u> <u>derly and Disabled</u>	<u>79059</u>	<u>SV2421</u>	<u>\$400,000</u>	<u>\$96,380,768</u>
<u>Grand Total</u>					<u>\$96,380,768</u>

*****Grand total for the New Appropriation Amount MUST match the TOTAL AGENCY budget requested as a result of this ordinance*****