



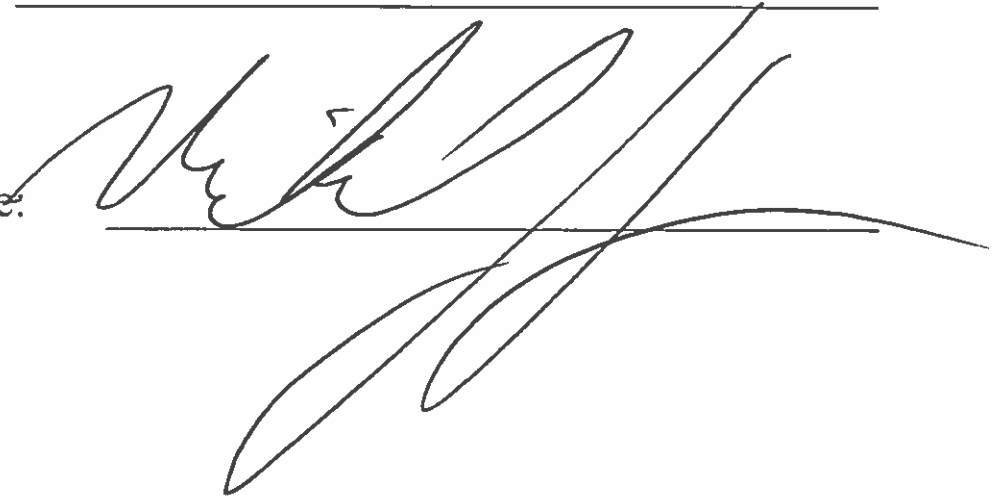
**City Of Richmond, Virginia**  
**Office of the City Clerk**

**Request to Withdraw Legislation**

Paper Number: Ord. No. 2019-189

Chief Patron: Councilor Michael Jones

Introduction Date: June 24, 2019

Chief Patron Signature: 

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*For Office Use Only*

Attestation: 

Effective Date: October 7, 2019

INTRODUCED: June 24, 2019

AN ORDINANCE No. 2019-189

To amend City Code §§ 26-401, concerning the amount of exemption for rehabilitated residential or multifamily qualified structures, and 26-404, concerning that amount of exemption for rehabilitated commercial or industrial qualified structures, for the purpose of reducing the exemption period for rehabilitated residential and multifamily qualified structures from ten years to five years; reducing the exemption period for rehabilitated commercial and industrial qualified structures outside of an Enterprise Zone from seven years to three years; reducing the exemption period for rehabilitated commercial and industrial qualified structures within an Enterprise Zone from ten years to five years; and removing the provision allowing a partial tax exemption for renovated residential or multifamily real estate exceeding the square footage limitations set forth in City Code § 26-399.

\_\_\_\_\_  
Patron – Mr. Jones  
\_\_\_\_\_

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

PUBLIC HEARING: JUL 22 2019 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That sections 26-401 and 26-404 of the Code of the City of Richmond (2015) be and are hereby **amended** and reordained as follows:

**Sec. 26-401. Amount of exemption for rehabilitated residential or multifamily qualified structures.**

AYES: \_\_\_\_\_ NOES: \_\_\_\_\_ ABSTAIN: \_\_\_\_\_

ADOPTED: \_\_\_\_\_ REJECTED: \_\_\_\_\_ STRICKEN: \_\_\_\_\_

Except as provided in Section 26-400 with regard to a property for which an additional application has been approved for partial exemption, the owner of property qualifying for partial exemption of real estate taxes because of rehabilitation of a residential or multifamily structure, or other improvement, shall receive a credit in the amount of the difference in taxes computed upon the base value and the initial rehabilitated assessed value of the property for each year of a ~~[seven-year]~~ five-year period of exemption in the full amount of the difference in taxes computed upon the base value and the initial rehabilitated assessed value of the property ~~[and for the three-year period following the initial seven years, a credit for 75 percent in year eight, 50 percent in year nine and 25 percent in year ten of the full amount of the partial exemption. However, for any structure which has been substantially rehabilitated by replacement or by renovation and the construction of an addition, the owner of property qualifying for partial exemption of real estate taxes shall not receive a credit for any amount of the difference in taxes computed upon the base value and the initial rehabilitated assessed value attributable to any square footage exceeding the applicable limitations on square footage established by Section 26-399(a)(3) and (b)(3)].~~ No exemption shall be issued during the effective period of an exemption for any rehabilitation on the same property for which an additional application has been filed for residential real estate in accordance with Section 26-400 that is achieved through the:

- (1) Renovation of a structure or other improvement, or any portion of a structure or other improvement, that is less than 20 years of age;
- (2) Replacement of a qualified structure on which an existing partial exemption is based;
- (3) Construction of an addition to be attached to a structure or other improvement, or any portion of a structure or other improvement, that is less than 20 years of age; or

- (4) Any combination of Subsection (1), (2) or (3) of this section.

An increase in assessment occurring after the first year of such the partial exemption shall not qualify for an increase in such partial exemption. Such credit shall be applied towards the payment of the real estate taxes due and payable for the tax year for which the credit has been issued. The credit shall be charged against an appropriation made by the Council for the purpose of honoring such tax rehabilitation exemptions. No property may have more than one credit in a given year.

**Sec. 26-404. Amount of exemption for rehabilitated commercial or industrial qualified structures.**

Except as provided in Section 26-403 with regard to a property for which an additional application has been approved for partial exemption, the owner, including the possessor of a leasehold interest in real estate as defined in Code of Virginia, § 58.1-3203, of property qualifying for partial exemption of real estate taxes because of rehabilitation of a commercial or industrial qualified structure shall be issued a credit in the amount of the difference in taxes computed upon the base value and the initial rehabilitated assessed value of the property for each year of ~~[the five-year]~~ a three-year period of partial exemption from real estate taxes ~~[and, in each year of a two-year period following the initial five years, a credit for the amount of the difference in taxes computed upon the base value and the initial rehabilitated assessed value of the property, at 66 percent in year six and 33 percent in year seven of the full amount of the partial exemption]~~. Commercial or industrial qualified structures that are located within Council-designated enterprise zones established pursuant to the Enterprise Zone Act, Code of Virginia, § 59.1-279 et seq., are no less than 20 years old, and are otherwise qualified under this division shall be entitled to a ~~[seven-year]~~ five-year period of exemption in the full amount of the difference in taxes computed upon the base value and the initial rehabilitated assessed value of

the property for each year of the ~~[seven]~~ five years ~~[and for the three-year period following the initial seven years, a credit for 75 percent in year eight, 50 percent in year nine and 25 percent in year ten of the full amount of the partial exemption]~~. No exemption shall be issued during the effective period of an exemption for any rehabilitation on the same property for which an additional application has been filed for ~~[residential]~~ commercial or industrial real estate in accordance with Section 26-403 that is achieved through the:

- (1) Renovation of a structure or other improvement, or any portion of a structure or other improvement, that is less than 20 years of age;
- (2) Replacement of a qualified structure on which an existing partial exemption is based;
- (3) Construction of an addition to be attached to a structure or other improvement, or any portion of a structure or other improvement, that is less than 20 years of age; or
- (4) Any combination of Subsection (1), (2) or (3) of this section.

An increase in assessment occurring after the first year of the partial exemption shall not qualify for an increase in such partial exemption. Such credit shall be applied towards the payment of the real estate taxes due and payable for the tax year for which such credit has been issued. Each credit shall be charged against an appropriation made by the Council for the purpose of honoring such tax rehabilitation exemptions.

§ 2. This ordinance shall be in force and effect on January 1, 2020.



# Richmond City Council

The Voice of the People

Richmond, Virginia

Lou Brown All  
Council Chief of Staff

## Office of the Council Chief of Staff

RECEIVED

## Ordinance/Resolution Request

JUN 19 2019

**TO** Allen Jackson, City Attorney OFFICE OF THE CITY ATTORNEY

**THROUGH** Meghan Brown, Interim Council Chief of Staff *MGB*

**FROM** Charles Jackson, Council Budget Analyst *C. J.*

**COPY** Michael J. Jones, 9<sup>th</sup> District Councilman  
Haskell Brown, Deputy City Attorney  
Summer Morris, 9<sup>th</sup> District Liaison

**DATE** June 13, 2019

**PAGE/s** 1 of 3

**TITLE** To Amend the Rehabilitated Partial Tax Exemption Program

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

**REQUESTING COUNCILMEMBER/PATRON**

Councilman Jones

**SUGGESTED STANDING COMMITTEE**

Finance & Economic Development

**ORDINANCE/RESOLUTION SUMMARY**

The patron is requesting an ordinance to amend Article V; Division 3 of the City Code to reduce the amount of years the abatement is given to eligible properties.

**BACKGROUND**

The City's Rehabilitation Tax Exemption program is an incentive to developers/owners to rehabilitate properties throughout the City by receiving partial tax exemption on the qualified structures. The program originally began in the early 1990s to preserve and protect historic buildings and to spur development in neighborhoods.

The City Assessor and L. Douglas Wilder School of Government and Public Affairs conducted a comprehensive evaluation of Richmond's Rehabilitation Tax Abatement Program. On April 1, 2019, the report, its findings and recommendations were presented to City Council. The report concluded that the program performed as it was intended but due to current market conditions and the increasing redevelopment that is occurring in the City, that there should be modifications to the program.

On June 10, 2019, the City Assessor presented its recommendation to City Council. The patron believes that based on the issued report/evaluation of the program that the following amendments should be made to the program:



**Attachment/s**    Yes     No