



City of Richmond

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Legislation Text

File #: RES. 2021-R079, **Version:** 1

To request that the Council Chief of Staff cause the preparation of a study to specifically identify the amendments to the Constitution of Virginia and the General Assembly of Virginia actions necessary to authorize the City to implement a homestead tax exemption and a real property tax cap that provides a 25 percent reduction in the real estate taxes imposed upon real property owners in the city of Richmond meeting certain income and residency requirements.

WHEREAS, upon information and belief of the Council, real property owners in the city of Richmond are facing higher taxes that affect the long-term sustainability of families in certain neighborhoods and make it difficult for those families to remain in those neighborhoods; and

WHEREAS, the Council is of the opinion that a study would provide the Council with solutions to lessen the tax burdens of real property owners whose families have sustained the viability of certain neighborhoods for significant periods of time but who may have become financially unable to remain in those neighborhoods; and

WHEREAS, the Council believes that it is in the best interests of the citizens of the city of Richmond that the Council Chief of Staff cause the preparation of a study to specifically identify the amendments to the Constitution of Virginia and the General Assembly of Virginia actions necessary to authorize the City to implement a homestead tax exemption and a real property tax cap that provides a 25 percent reduction in the real estate taxes imposed upon real property owners in the city of Richmond meeting certain income and residency requirements;

NOW, THEREFORE,

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

That the Council hereby requests that the Council Chief of Staff cause the preparation of a study to specifically identify the amendments to the Constitution of Virginia and the General Assembly of Virginia actions necessary to authorize the City to implement a homestead tax exemption and a real property tax cap that provides a 25 percent reduction in the real estate taxes imposed upon real property owners in the city of Richmond meeting certain income

and residency requirements.

BE IT FURTHER RESOLVED:

That the study requested by this resolution shall specifically identify the amendments to the Constitution of Virginia and the General Assembly of Virginia actions necessary to authorize the City implement a homestead tax exemption and real property tax cap and identify the steps necessary to effectuate such tax relief programs for real property owners in the city of Richmond that include the following features, to the extent permitted by law:

1. A citywide homestead exemption and real property tax cap that provides a 25 percent reduction in the real estate taxes imposed upon real property owners in the city of Richmond meeting certain income and residency requirements.
2. A requirement that only owner-occupied residential properties occupied as a principal residence for a specified length of time or a single family residence leased by a person (i) who has an ownership interest, legal or equitable, in such single family residence, and (ii) who is liable for the payment of real property taxes may qualify for the homestead tax exemption and real property tax cap.
3. A requirement that property owners shall be eligible for a homestead tax exemption and a real property tax cap regardless of whether or not any such owner has a mortgage or owes the City for delinquent taxes.
4. A three-year homestead tax exemption and real property tax cap for persons who (i) have inherited a home from a deceased relative, (ii) are victims of a fraudulent mortgage or deed of trust recorded against any such person's home in the Circuit Court of the City of Richmond, or (iii) have entered into a rent-to-own agreement and have paid all or some of the sales price for the home that any such person occupies as a principal residence.
5. An annual application deadline of December 1 for the homestead tax exemption and real property tax cap, provided that eligible persons may file such an application by September 13 to request a homestead tax exemption and real property tax cap to be effective for the immediately succeeding tax year.

6. A requirement that the real property taxes imposed for the ensuing tax year upon persons who have filed an application and have qualified for the homestead tax exemption and the property tax cap for which this resolution provides after September 13 shall be adjusted to reflect the homestead tax exemption and property tax cap.
7. A requirement that only persons who are not eligible for the tax relief program authorized by section 58.1-3210 of the Code of Virginia (1950), as amended, and implemented for elderly persons pursuant to section 26-364 of the Code of the City of Richmond (2020), as amended, may qualify for the homestead tax exemption and the property tax cap for which this resolution provides.
8. Consideration of the income data of individuals and households whose real property tax assessments have increased by ten percent or more since the 2020 tax year.
9. Utilization of the income limits used by The Maggie Walker Community Land Trust to establish income thresholds for persons applying for the homestead tax exemption and real property tax cap.
10. Utilization of the area median income for the Commonwealth of Virginia based on the most recent data available from the American Community Survey to measure housing affordability.
11. The creation of an “affordable housing overlay zone” or a “housing overlay zone” that provides incentives for developers to build affordable housing.
12. A requirement that, except as otherwise provided in this resolution, the homestead tax exemption and real property tax cap shall run with the land as long as the applicable requirements are met.