

ORDINANCE NO. 5434

AN ORDINANCE to amend and reordain Section 3-2-224 (LEVIED ON AUTOMOBILES, TRUCKS, TRAILERS, SEMI-TRAILERS, ANTIQUE MOTOR VEHICLES, TAXICABS, MOTORCYCLES, CAMPERS AND OTHER RECREATIONAL VEHICLES, BOATS AND TRAILERS; AMOUNT), of Article M (LEVY AND COLLECTION OF PROPERTY TAXES), Division 3 (TANGIBLE PERSONAL PROPERTY AND MACHINERY AND TOOLS) of Chapter 2 (TAXATION) of Title 3 (FINANCE, TAXATION AND PROCUREMENT) of the Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Article M of the Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby, is amended by deleting the text shown in strikethrough and adding the text shown in underline as follows:

Sec. 3-2-224 - Levied on automobiles, trucks, trailers, semi-trailers, antique motor vehicles, taxicabs, motorcycles, campers and other recreational vehicles, boats and trailers; amount.

(a)Except as provided in subsections (b), (c) and (d), there shall be levied and collected for the calendar year 2021 on all automobiles, trucks, trailers, semi-trailers, antique motor vehicles (as defined in section 46.2-100 of the Code of Virginia, 1950, as amended, which may be used for general transportation purposes as provided in subsection C of section 46.2-730 of the Code of Virginia, 1950, as amended), taxicabs, motorcycles, campers and other recreational vehicles, boats and boat trailers owned or held by residents or citizens of the city or located within the territorial boundaries of the city or otherwise having a situs for taxation in the city, a tax of \$5.33 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(b)There shall be levied on and collected for the calendar year 2021 on all automobiles, trucks, trailers and semi-trailers with a gross vehicle weight of 10,000 pounds or more which are used to transport property for hire by a motor carrier engaged in interstate commerce, and are owned or held by residents or citizens of the city, are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$4.50 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(c)There shall be levied on and collected for the calendar year 2021 on all automobiles and trucks which are equipped with specially designed equipment for use by the handicapped and are owned or held by residents or citizens of the city, are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$3.55 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(d) There shall be levied on and collected for the calendar year 2021 on all privately owned pleasure boats and watercraft, which are used for recreational purposes only, and are owned or held by residents or citizens of the city, or are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$.01 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(e) The city adopts personal property tax relief as authorized by the current state budget, which allows for provision of a specific dollar amount to be offset against the total taxes that would otherwise be due but for the Personal Property Tax Relief Act of 1998, section 58.1-3523 et seq. of the Code of Virginia, as amended, and the reporting of such specific dollar relief on the tax bill.

(1) The city shall, following adoption of the annual budget adopted pursuant to chapter 25 of title 15.2 of the Code of Virginia and sections 6.01 through 6.15 of the City Charter, set the rates of tax relief under this subsection at such a level that it is anticipated fully to exhaust relief funds under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, provided to the city by the Commonwealth and pursuant to the Virginia Budget Bill, Reimbursement to Localities for Personal Property Tax Relief (item 74601) under the Secretary of Finance.

(2) Personal property tax bills shall set forth on their face the specific dollar amount of relief under this subsection credited with respect to each qualifying vehicle, together with an explanation of the general manner in which such relief is allocated.

(3) Allocation of relief under this subsection shall be provided in accordance with the general provisions of this section, as implemented by resolution relating to relief under this subsection.

(4) Relief under this subsection shall be allocated in such a manner as to eliminate personal property taxation of each qualifying vehicle with an assessed value of ~~\$1,000~~ \$5,000 or less.

(5) Relief under this subsection with respect to qualifying vehicles with assessed values of more than ~~\$1,000~~ \$5,000 shall be provided at ~~the following~~ rates, annually fixed by resolution, that achieve to the extent feasible the following general relationships ~~between the rates applicable to classes of vehicle value established herein and that is estimated fully to use all relief funds under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, provided to the city by the Commonwealth:~~ such that of the Personal Property Tax Relief funds from the Commonwealth remaining after application to qualifying vehicles valued at \$5,000 or less are applied as follows:

A. ~~Relief with respect to vehicle value up to and including \$20,000 shall be provided at a rate that is approximately 15 percent higher than that applied to vehicle value described in subsection~~ Approximately 76% of State funds are allocated to the first \$20,000 of value for vehicles assessed at \$5,001 - \$20,000;



~~B. of this section; B. Relief with respect to vehicle value in excess of \$20,000, but not more than \$25,000, and applied to the first \$20,000 in value, shall be provided at a rate that is approximately 15 percent higher than that applied to vehicle value described in subsection~~ Approximately 13% of State funds are allocated to the first \$20,000 of value for vehicles assessed at \$20,001 - \$25,000, and;

~~C. of this section; and C. Relief with respect to vehicles in excess of \$25,000, and applied to the first \$20,000 in value.~~ Approximately 11% of State funds are allocated to the first \$20,000 of value for vehicles assessed over \$25,000.

(Ord. No. 2678, 5/10/82, Sec. 5; Ord. No. 2810, 5/16/83, Sec. 6; Ord. No. 2927, 5/14/84, Sec. 6; Ord. No. 3035, 5/13/85, Sec. 6; Ord. No. 3124, 5/5/86, Sec. 6; Ord. No. 3203, 5/4/87, Sec. 6; Ord. No. 3291, 5/4/88, Sec. 6; Ord. No. 3373, 5/8/89, Sec. 6; Ord. No. 3452, 5/7/90, Sec. 6; Ord. No. 3513, 5/9/91, Sec. 6; Ord. No. 3568, 5/11/92, Sec. 6; Ord. No. 3627, 5/5/93, Sec. 6; Ord. No. 3719, 4/28/94, Sec. 5; Sec. 3792, 5/3/95, Sec. 5; Ord. No. 3862, 5/7/96, Sec. 5; Ord. No. 3924, 5/1/97, Sec. 5; Ord. No. 3934, 6/14/97, Sec. 1; Ord. No. 3993, 5/6/98, Sec. 5; Ord. No. 4043, 5/5/99, Sec. 5; Ord. No. 4131, 4/27/00, Sec. 5; Ord. No. 4196, 5/7/01, Sec. 5; Ord. No. 4248, 5/6/02, Sec. 5; Ord. No. 4296, 4/29/03, Sec. 5; Ord. No. 4347, 5/3/04, Sec. 5; Ord. No. 4396, 5/2/05, Sec. 5; Ord. No. 4445, 4/24/06, Sec. 5; Ord. No. 4477, 5/7/07, Sec. 1; Ord. No. 4530, 5/5/08, Sec. 5; Ord. No. 4587, 4/27/09, Sec. 7; Ord. No. 4656, 5/3/10, Sec. 7; Ord. No. 4716, 5/2/11, Sec. 6; Ord. No. 4761, 5/7/12, Sec. 7; Ord. No. 4801, 5/6/13, Sec. 7; Ord. No. 4817, 6/15/13, Sec. 1; Ord. No. 4871, 5/1/14, Sec. 7; Ord. No. 4944, 5/7/15, Sec. 7; Ord. No. 5001, 5/5/16, Sec. 7; Ord. No. 5059, 5/4/17, Sec. 7, eff. 1/1/17; Ord. No. 5129, 5/3/18, Sec. 7; Ord. No. 5223, 5/1/19, Sec. 7; Ord. No. 5277, 4/29/20, Sec. 7; Ord. No. 5348, 5/5/21, Sec. 7)

Section 2. That Article M as amended pursuant to Section 1 of this ordinance, be, and the same hereby is, reordained as part of the City of Alexandria City Code.

Section 3. That this ordinance shall become effective upon the date and at the time of its final passage.

# Car Valuation Increase

## Attachment 3

- ▶ Car values continue to increase
  - ▶ 15% of the vehicle tax base increased 5% in 2021 (Average)
  - ▶ 87% of the vehicle tax base increased 26% in 2022 (Average)
- ▶ Unprecedented situation
- ▶ Proposed solution to provide tax relief
- ▶ Additional adjustment to increase relief to lower valued cars



# Vehicle Appreciation Proposal

	<\$1,000	\$1,001 - \$20,000	\$20,001 - \$25,000	Over \$25,000
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## 2021 (100% Fair Market Value)

Current PPTRA Structure	100%	52%	41%	31%
Max Relief	\$53	\$554	\$437	\$330

## 2022 (100% FMV = 25% Increase, Revenue Surplus = \$21M)

PPTRA Rate	100%	40%	32%	24%
Max Relief	\$53	\$426	\$341	\$256
# of Vehicles	4,331	64,394	8,896	20,401

## 2022 (77% FMV, Revenue Surplus = \$2.0M)

PPTRA Rate	100%	45%	34%	24%
Max Relief	\$53	\$480	\$362	\$256
# of Vehicles	6,136	72,905	7,655	11,326



# PPTRA Relief Proposal



	<\$5,000	\$5,001 - \$20,000	\$20,001 - \$25,000	Over \$25,000
2022 (77% FMV, Revenue Surplus = \$2.0M)				
New PPTRA Rates	100%	43%	25%	15%
Max Relief	\$267	\$458	\$267	\$160
# of Vehicles	32,214	46,827	7,655	11,326

- ▶ Raises 100% relief from \$1,000 to \$5,000
- ▶ Provides 100% tax relief to 32,214 vehicles
- ▶ Eliminates personal property tax for 1/3 of January vehicle tax base
- ▶ Provides higher tax relief to lowest valued cars
- ▶ All vehicle owners get tax relief

# Recommendation

- ▶ Apply the PPTRA Tax Relief Proposal for this fiscal year
- ▶ Place the \$2 million into contingency reserve for Climate Change Actions
  - ▶ Staff will bring a proposal to Council in the fall for the use of the funds
  - ▶ Proposal allows for additional focus on climate change with feedback and input from the community

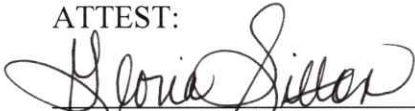




**JUSTIN M. WILSON**

Mayor

ATTEST:



Gloria A. Sittton, CMC City Clerk

Final Passage: May 14, 2022