

ORDINANCE NO. 5213

AN ORDINANCE to amend and reordain Section 3-2-161 (DEFINITIONS), Section 3-2-164 (SAME-ADMINISTRATION BY CITY MANAGER), Section 3-2-165 (SAME-PROCEDURE FOR CLAIM), Section 3-2-166 (SAME-CALCULATION OF AMOUNT; LIMITATION) of Article L (REAL ESTATE TAX RELIEF) 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 Section 3-2-161 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby, is amended and reordained to read as follows:

Sec. 3-2-161 Definitions.

The following words and phrases shall, for the purposes of this division, have the following respective meanings, except where the context clearly indicates a different meaning:

- (1) *Applicant*. Any natural person who claims an exemption or deferral under section 3-2-165.
- (2) *Reserved*.
- (3) *Deferral*. A deferral of the obligation to pay real estate taxes granted pursuant to the provisions of this division.
- (4) *Dwelling*. The building or portion of a building, which is owned, at least in part, by an applicant, which is the sole residence of the applicant and which is part of the real estate for which an exemption from or deferral of taxes is sought pursuant to this division.
- (5) *Exemption*. An exemption from the obligation to pay real estate taxes granted pursuant to the provisions of this division.
- (6) *Net combined financial worth of applicant*. The value of all assets of an applicant, of an applicant's spouse and of any other person who is an owner of and resides in the applicant's dwelling, calculated as of December 31 of the calendar year immediately preceding the taxable year; provided, that the value of the applicant's dwelling, of household furnishings in the dwelling and of up to ~~two acres~~ one acre of the land on which the dwelling is situated shall be excluded.
- (7) *Permanently and totally disabled persons*. An applicant certified as provided by section 3-2-165(d) and found by the ~~city manager~~ director of finance or assigned designee to be unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment or deformity which can be expected to result in death or can be expected to last for the duration of such applicant's life.
- (8) *Relative*. Any person related by blood or marriage to an applicant who uses the applicant's dwelling as his or her principal residence, other than a spouse.
- (9) *Taxes owed for the year*. The amount of real estate taxes levied on the dwelling of the applicant for the taxable year.
- (10) *Taxable year*. The current calendar year for which an exemption or deferral is claimed.
- (11) *Spouse*. The husband or wife of any applicant who resides in the applicant's dwelling.

(12) *Total combined income of applicant.* The annual gross income from all sources, calculated as of December 31 of the calendar year immediately preceding the taxable year, of the applicant, of the applicant's spouse, of any relative of the applicant who resides in the dwelling, and of any other person who is an owner of and resides in the applicant's dwelling; provided, that up to \$10,000 of the income of any such relative shall be excluded and, provided further, that up to \$10,000 of the income of any applicant, and any other owner residing in the dwelling, who is permanently disabled shall be excluded.

(13) Notwithstanding the provisions of subsection (12), above, if an applicant proves to the director of finance, by clear and convincing evidence, that the applicant's physical or mental health has deteriorated to the point that the only alternative to permanently residing in a hospital, nursing home, convalescent home or other facility for physical or mental care, is to have a relative move in and provide care to the applicant, and if a relative does actually move in and provide such care, then none of the income of the relative and of the relative's spouse shall be counted towards the total income of the applicant; provided, however, that the applicant has not transferred to the relative assets in excess of \$10,000, without adequate consideration, within a three-year period prior to or after the relative moves into the dwelling. (Ord. No. 4297, 4/29/03, Sec. 1; Ord. No. 4367, 12/18/04, Sec. 1; Ord. No. 4390, 5/2/05, Sec. 1)

Section 2. That Section 3-2-164 of the Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby, is ordained to read as follows.

Sec. 3-2-164 Same – administration by ~~city manager~~ director of finance.

The exemption from or deferral of payment of real estate taxes for elderly or permanently and totally disabled persons shall be administered by the ~~city manager~~ director of finance according to the provisions of this division. The ~~city manager~~ director of finance is hereby authorized and empowered to prescribe, adopt, promulgate and enforce such rules and regulations in conformance with the provisions of this division, including the requirement of answers under oath, as may be reasonably necessary to determine eligibility for exemption or deferral. The ~~city manager~~ director of finance may require the production of certified tax returns, bank and investment statements, and appraisal reports to establish total combined income or net combined financial worth. (Ord. No. 4297, 4/29/03, Sec. 1; Ord. No. 4390, 5/2/05, Sec. 1; Ord. No. 4878, 5/17/14, Sec. 2)

Section 3. That Section 3-2-165 of the Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby, is ordained to read as follows.

Sec. 3-2-165 Same – procedure for claim.

(a) For taxable year 2003, and every third year thereafter, and not later than April 15 of the taxable year, any applicant claiming an exemption or deferral of real estate taxes under this division shall file with the ~~city manager~~ director of finance, in such manner as the ~~manager~~ director shall prescribe and on forms to be supplied by the city, an affidavit or written statement providing the following:

(1) the name and age of the applicant;

- (2) a statement whether the applicant is permanently and totally disabled;
- (3) the address of the real estate for which the exemption or deferral is claimed;
- (4) the names of the applicant's spouse and of the relatives of the applicant and any other owners of the real estate who reside in the applicant's dwelling;
- (5) the total combined income of the applicant as defined in section 3-2-161(12);
- (6) the net combined financial worth of the applicant as defined in section 3-2-161(6);
- (7) the applicant's election of an exemption or deferral;
- (8) the name and addresses of all owners of the real estate other than the owners who reside therein; and
- (9) such additional information as the ~~city manager~~ director of finance determines to be necessary to determine eligibility for exemption or deferral of real estate taxes pursuant to this division.
- (b) If, after audit and investigation, the ~~city manager~~ director of finance determines that the applicant is eligible for an exemption or deferral, the ~~manager~~ director shall so certify to ~~the director, who~~ and shall deduct the amount of the exemption from the applicant's real estate tax liability or defer such tax liability as herein provided.
- (c) Any provision of this division to the contrary notwithstanding, the director may declare eligible to apply for an exemption or deferral any person filing the affidavit or written statement required by subsection (a), or the written certification required by subsection (f), after April 15 of the current taxable year but before ~~November 15~~ April 15 of the following taxable year, provided good cause is shown for the failure to file the affidavit, statement or certification on or before April 15 of the current taxable year.
- (d) Any applicant under 65 years of age claiming an exemption or deferral on the basis of a permanent and total disability shall attach to the affidavit or written statement required by subsection (a), or the written certification required by subsection (f), a certification by the Social Security Administration or, if the person is not eligible for social security, an affidavit by two medical doctors licensed to practice medicine in the commonwealth to the effect that the person is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment or deformity which can be expected to result in death or can be expected to last for the duration of the person's life.
- (e) Any applicant initially claiming an exemption or deferral of real estate taxes under this division, in a taxable year other than 2003, shall file for such taxable year the affidavit or written statement required by subsection (a). Thereafter, such applicant shall file an affidavit or written statement, or a written certification, as required by subsection (a) or (f).
- (f) For each taxable year as to which an affidavit or written statement is not required by subsection (a), the applicant shall file with the ~~city manager~~ director of finance, not later than April 15, a written certification, on forms to be supplied by the city, in which the applicant states that the information contained in the applicant's last filed affidavit or written statement has not changed in a manner which affects either the applicant's eligibility for an exemption or deferral under this division or the amount of the exemption or deferral. In the event that the information in the last filed affidavit or statement has changed in such a manner, the applicant shall file a new affidavit or written statement pursuant to subsection (a). (Ord. No. 4297, 4/29/03, Sec. 1; Ord. No. 4390, 5/2/05, Sec. 1)

Section 4. That Section 3-2-166 of the Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby, is ordained to read as follows.

Sec. 3-2-166 Same – calculation of amount; limitation.

- (a) The exemption from or deferral of real estate taxes on the value of the house and up to one acre of land granted under this division for any taxable year shall be limited and calculated as follows:
 - (1) when the total combined income of the applicant does not exceed \$40,000, the applicant shall be exempt from the taxes owed for the year;
 - (2) when the total combined income of the applicant exceeds \$40,000 but does not exceed \$55,000, the applicant shall be exempt from 50 percent of the taxes owed for the year, and may defer all or part of the amount of such taxes in excess of the amount exempted; and,
 - (3) when the total combined income of the applicant exceeds \$55,000 but does not exceed \$72,000, the applicant shall be exempt from 25 percent of the taxes owed for the year, and may defer all or part of the amount of such taxes in excess of the amount exempted
 - (4) when the total combined income of the applicant exceeds \$72,000 but does not exceed \$100,000, the applicant may defer all or part of the amount of such taxes as may be due
- (b) Notwithstanding the provisions of subsection (a) above, if the real estate identified in the affidavit or written statement filed under section 3-2-165 is not owned solely by the applicant and his or her spouse, the amount of the tax exemption or deferral shall be the amount of the taxes on the real estate for the taxable year times the percentage ownership interest in the real estate held by the applicant, or by the applicant and his or her spouse.
- (c) Notwithstanding the provisions of subsection (a) above, if an applicant becomes eligible for exemption or deferral of real estate taxes owed during the course of the taxable year, the amount of the exemption or deferral computed under subsection (a) shall be reduced by one-twelfth of such amount for each full calendar month of the taxable year during which month such applicant is not eligible for exemption or deferral. (Ord. No. 4297, 4/29/03, Sec. 1; Ord. No. 4390, 5/2/05, Sec. 1; Ord. No. 4446, 4/24/06, Sec. 1)

Section 5. That this ordinance shall become effective for tax exemptions and tax deferrals beginning in tax year 2019.

JUSTIN M. WILSON
MAYOR

Final Passage: March 16, 2019