



Legislation Text

File #: 24-2158, Version: 1

City of Alexandria, Virginia

MEMORANDUM

**DATE:** MAY 7, 2024  
**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL  
**THROUGH:** JAMES F. PARAJON, CITY MANAGER /s/  
**FROM:** KENDEL TAYLOR, DIRECTOR OF FINANCE

**DOCKET TITLE:**

Public Hearing, Second Reading and Final Passage of an Ordinance to increase the income thresholds for Real Estate Tax Relief for the Elderly and Disabled. [ROLL-CALL VOTE]

**ISSUE:** Consideration of an ordinance to raise the income thresholds for the Elderly and Disabled Real Estate Tax Relief program.

**RECOMMENDATION:** That City Council pass the proposed ordinance (Attachment 2) on first reading and schedule it for public hearing, second reading and final passage on May 18, 2024.

**DISCUSSION:** On May 1, 2024, the City Council adopted the FY 2025 budget, which included a proposed increase to the allowable gross household income under the City’s Real Estate Tax Relief program for the Elderly and Disabled. The attached proposed ordinance is necessary to implement these changes. The new income thresholds established for tax year 2024 and beyond are shown below:

|                        | Tax Year 2023 and Prior | New Tax Year 2024 and           |
|------------------------|-------------------------|---------------------------------|
| <u>% of Tax Relief</u> | <u>Income Threshold</u> | <u>Beyond, Income Threshold</u> |
| 100%                   | \$40,000 and below      | \$55,000 and below              |
| 50%                    | \$40,001 - \$55,000     | \$55,001 - \$72,000             |
| 25%                    | \$55,001 - \$72,000     | \$72,001 - \$100,000            |
| Deferral Only          | \$72,001 - \$100,000    | \$100,001 - \$120,000           |

The amended ordinance is estimated to add approximately 253 potential applicants to the Tax Relief program. Applicants can apply up to April 15, 2025 for tax year 2024. The Department of Finance will widely advertise the new income limits during the coming year and will retroactively process qualified applicants for all of tax year 2024 as may be necessary.

**FISCAL IMPACT:** The FY 2025 Adopted Budget already includes a \$1.03 million General Fund Real Estate revenue reduction associated with this change.

**ATTACHMENTS:**

Attachment 1 - Ordinance Cover

Attachment 2 - Proposed Ordinance Amendment, Section 3-2-166 of the City Code

**STAFF:**

Kevin C. Greenlief, Assistant Director, Revenue Division, Department of Finance

David Clark, Assistant Director, Treasury Division, Department of Finance

Sarah E. McElveen, Assistant City Attorney III