



**CITY OF HARRISONBURG
COMMISSIONER OF THE
REVENUE**

KAREN I. ROSE, MCR

CTYCOMM@HARRISONBURGVA.GOV

409 SOUTH MAIN STREET, HARRISONBURG, VA 22801

OFFICE (540) 432-7704 • FAX NUMBER: (540) 432-7781

TO: Ande Banks, City Manager
FROM: Karen I. Rose, Commissioner of the Revenue
DATE: January 10, 2023
RE: Changes in the requirements for applicants for the Real Estate and Personal Property Tax Relief for the Elderly and Permanently Disabled

Summary: Consider amending and re-enacting Section 4-2-124 to increase the income level and net financial worth requirement for personal property tax relief and consider amending and re-enacting Section 4-23 and Section 4-25 to increase the income level, net financial worth, eliminate maximum relief limit, and percentages of relief for real estate tax relief.

Background: Harrisonburg City Code Title 4 Chapter 2 Article B and Title 4 Chapter 2 Article K provide for exemption from real estate and personal property taxes for Harrisonburg residents that are 65 or older or permanently and totally disabled and own real estate and/or personal property in the City and qualify for the exemption. The exemption is based on income and net financial worth. The last time that changes were made to the requirements was in January 2020.

Key Issues: As proposed, the maximum gross combined income of the owner or owners of real property would increase from \$35,000.00 in the preceding year to \$50,000.00. The owner of real property net financial worth would increase from \$75,000 to \$100,000. The sliding scale percent of real estate tax relieved would be from 80%, 60%, 40%, and 20% to 100%, 80%, 60%, 40%, and 20%. The maximum tax relief for real estate would change from \$1,500.00 to no maximum limit.

The maximum gross combined income of the owner or owners of personal property would likewise increase from \$35,000.00 in the preceding year to \$50,000.00. The owner of personal property net financial worth would likewise increase from \$75,000 to \$100,000.

Environmental Impact: n/a

Fiscal Impact: The precise fiscal impact will depend on the 2023 assessments and FY24 tax rates as well as the number of new qualifying applicates; however, staff project the impact from personal property relief would be close to \$25,000 and real estate relief close to \$90,000.

Prior Actions: none



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Alternatives: (a) Approve amending and re-enacting all ordinances as proposed;
(b) Approve amending and re-enacting parts of either or some ordinances; or
(c) Deny amending and re-enacting ordinances.

Community Engagement: n/a

Recommendation: Staff recommends approval of the amendments as proposed.

Attachments:

1. Red-lined copy of Sec. 4-2-23, 4-2-25 and Sec. 4-2-124.
2. Clean copy of Sec. 4-2-23, 4-2-25 and Sec. 4-2-124.

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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