

***Taskforce for the
Elderly and Disabled Real Estate Tax Relief Program
Meeting Minutes***

January 5, 2015

I. Call to order

Virginia Beach City Councilmember Barbara Henley called to order the regular meeting of the Taskforce for the Elderly and Disabled Real Estate Tax Relief Program at 3:00 pm on January 5, 2015 in City Hall room 218.

II. Roll call

The following Taskforce members were present: Michael Aschkenas, John Eason, Lee McDaniel and Rosemarie Morehead.

The following City staff members were present: Catheryn Whitesell, Eric Schmutde, Dana Harmeyer and Crystal Featherston.

III. Open issues

- 1) Minutes from the December 15th meeting were reviewed and agreed upon by all who were present at that meeting.
- 2) The committee discussed the final report that will be presented to City Council
 - A) Goal for the program will be included in the report
 - B) Recommend elimination of tax deferral option
 - i) Under the deferral program the City is not guaranteed to collect the entire amount of taxes owed on property.
 - (a) The City has priority for the first 10% and then falls to the bottom versus other lien holders on the property for the other 90%.
 - (b) According to the Commissioner of Revenues Office this has never happened, however the City has had a low participation in the program.
 - (c) The participation rate may increase if the exemption income thresholds are lowered.
 - ii) Include in considerations a \$350,000 cap on home value
 - (a) City Council will need to see the table of house values of those currently in the program.

(b) Most of the program participants fall within the \$400,000 house values or lower.

- C) The City Comparison Chart will need to be broken down into smaller sections for the report.
- i) The report will need to include examples of other cities that allow a house value cap in their program.
- D) The Committee suggests an example be created that will show what one applicant would pay in each comparable city.
- E) The Committee suggests a grant rebate since the law prohibits the City from grandfathering in current applicants.
- F) Current vs Proposed program

Income Limits	Current	Proposed
100 % Exemption	\$0 - \$48,009	\$0 – \$38,670
80% Exemption	\$48,009 - \$52,188	\$38,671 – \$41,670
60% Exemption	\$52,188 - \$56,367	\$41,671 – \$44,670
40% Exemption	\$56,367 - \$60,546	\$44,671 – \$47,670
20% Exemption	\$60,546 - \$64,675	\$47,671 - \$50,670

- i) All qualified applicants in the current program will still be able to receive some form of tax relief under the proposed program.
- ii) The proposed program is close to where the program would be if the City had adjusted the thresholds down during the Recession.
- iii) If someone at 100% exemption moves to freeze they will be responsible for 100% of their current year tax bill.
- G) The income level for Tax Freeze should remain at \$68,293 to ensure everyone currently in the program still receives some form of tax relief.
- H) City Council will need to consider the automatic increase of the exemption thresholds based on the real estate assessment.
- I) The income thresholds are well over the poverty level for the City of Virginia Beach.

IV. New Business

- 1) Rewrite the report

- a. Imbed tables
 - b. Move house value cap to recommendations
 - c. Add a discussion of the school funding formula
 - d. Add Median house hold income vs Per Capita
 - e. Possibly add number of grandparents raising grandkids
 - f. Possibly add price per student in district
 - g. Add the projected elderly growth rate in the City
- 2) Make sure that everyone who is eligible for the program knows about the program.
 - 3) Commissioner of Revenue's office will include number of FTE's who handle the program in their write up.
 - a. Will also include how many times each application is touched by someone in the Commissioner of Revenue's Office.
 - b. Possibly develop benchmark data points for Commission of Revenues Office.
 - 4) Check with Real Estate Assessor to see why thresholds are broken down in 20, 40, 60, 80, 100% tiers.

V. Adjournment

Councilmember Barbara Henley adjourned the meeting at 4:20pm.

Minutes submitted by: Crystal Featherston