

Agenda for the Tax Relief for the Elderly and Disabled Taskforce
November 24, 2014 at 3pm, City Hall room 350

1. Discussion of Criteria for the program (what does the taskforce want the program to accomplish)
2. Review of new/revised information for Notebooks
3. Agenda for next meeting

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

November 24, 2014

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 November 24, 2014 in City Hall room 350.

II. Roll call

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

The following City staff members were present: David Bradley, Kevin Chatellier, Crystal Featherston, Dana Harmeyer, Phil Kellam and Eric Schmutde

Open issues

- 1) Minutes from November 12th meeting were reviewed and agreed upon by all who were present at that meeting.
- 2) Review of Taskforce notebooks and explanation of material
 - A) Taskforce members were provided with updated handouts to reflect the total number of Elderly and Disabled individuals in the Elderly and Disabled Real Estate Tax Relief Program (Disabled Veterans were backed out of the numbers).
 - B) Portsmouth and Suffolk were added to the Tax Relief Threshold Comparison Table.
 - C) Handouts were provided to Taskforce members detailing the Programs growth in dollar amount from Fiscal Years 2006 – 2015.
 - i) A detailed analysis of the Tax Relief Programs' cost and participants was provided to Taskforce members for Fiscal Years 2013-2015.
- 3) Committee Discussion
 - A) Based on the data, it appears the program cost is declining, do we really need to revise the program?
 - i) Yes, the program has been around since 2004 and it needs to be reviewed.

- ii) Part of the decline is due to the removal of Disable Veterans from the program in Fiscal Year 2012.
 - iii) Less tax relief was provided during recession years.
 - iv) The responsibility of the department has changed from the Real Estate Assessor to the Commissioner of Revenue, which accounts for some of the decline.
 - (a) The Commissioner's office has more tools available to review applicants' qualifications and was able to remove ineligible applicants from the program.
 - v) The City's population is aging and the Program's enrollment will increase.
 - vi) Housing values have started to rise since the recession.
- B)** Although we need to focus on our City's data as much as possible it is very important to compare our data with that of other cities to ensure we are comparable.
- i) Currently, the city of Virginia Beach is the only city that offers all three forms of relief.
- C)** The income thresholds have increased every year per the average of real estate, however during years of decline the city did not decrease the thresholds.
- i) One basic question the Taskforce needs to review is whether or not the thresholds should continue to increase
- D)** Due to the tight deadline to present to Council it was suggested that the January 1st deadline for Taxpayer Assistance be changed to February 1st to give taskforce members more time to review the data thoroughly.
- i) Phil Kellam agreed the deadline can be moved to February 1st.
 - 1. The current timeline for Taxpayer Assistance was provided to all Taskforce members via paper handout.
- E)** Councilmember Henley will update City Council on the progress of the Taskforce on December 9th.
- F)** Councilmember Henley also suggests that David Bradley add Tax Relief for the Elderly to the Benchmark Data presentation that will be presented to City Council in January.
- G)** What does the taskforce want the program to accomplish?
- i) Fairness to all ages and the City of Virginia Beach

- ii) Determine where we are in the dynamics of the program
- iii) Recognize the long term commitment of seniors to the City of Virginia Beach
- iv) Assurance that program participants are in need of program help
- v) Maintain a balance between what we can afford to do for seniors and what we want to do for seniors
- vi) Identify the true threshold need
- vii) Cyclical review - program needs to be reviewed every 3-5 years

H) Taskforce member suggests the word “city” be added to the goal statement:

- i) To assist qualified Virginia Beach homeowners who are at least 65 years of age or totally and permanently disabled, with their real estate taxes in an effort to help mitigate financial hardships while being conscious of the overall cost of the program to the City and remaining taxpayers.

I) Legal Questions

- i) Current participants cannot be grandfathered into the old program.
- ii) The taskforce can recommend changes to income qualifications, net worth, exemption, deferment or freeze options, and threshold modifications.
- iii) The assets of business owners applying for tax relief may be used as qualifiers depending on how the business is legally structured, the type of income and assets.

III. New business

- 1) Number of people omitted from program as a result of income audits
- 2) List of home values currently in the program
 - a) Only values with 4+ individuals in the category
- 3) Run a scenario based on proposed thresholds
- 4) Accounting question- why do we show a separate line item for the Elderly and Disabled tax relief
- 5) Add more questions to list for the City’s Virtual Town Hall
- 6) Revisit program criteria

IV. Adjournment

Virginia Beach City Councilmember Barbara Henley adjourned the meeting at 4:30pm.

Minutes submitted by: Crystal Featherston

Minutes approved by: