



Waynesboro City Council Agenda Briefing

Meeting Date:	November 25, 2019	Staff/Council Member(s): City Manager
Agenda Item #	13	
Resolution#		
Department:	City Manager/Commissioner of Revenue	
Subject:	Tax Relief for the Elderly and Disabled	
	Ordinance Amending Section 78-63 Amount of Exemption	

Background: The City of Waynesboro has a codified program of providing tax relief for elderly and disabled citizens. To qualify as elderly, the individual must be at least 65 years of age on January 1st of the tax year. Citizens, certified as permanently and totally disabled on January 1st of the tax year, are eligible to apply regardless of age.

The tax relief, partial exemption, is provided according to qualifying criteria of annual income (gross) and net financial worth. The amount of relief is pro-rated according to a combined metric of annual income and net worth.

The Commissioner of Revenue administers the program.

Periodically localities which provide tax relief programs review and adjust qualifying criteria. City Council's most recent revisions to Waynesboro's program parameters are as follows: In 2007 the net worth limit increased from \$25,000 to \$60,000; in 2011, the income limit increased from \$25,000 to \$27,500. In 2017, the City Council increased Net Combine Financial Worth and Gross Combined Income limits to match those in Staunton. See attached.

Following the revisions in 2007, qualifying applicants increased from 122 individuals to 169 individuals. The number of qualifying individuals peaked in 2011 at 185 and has declined to 155 in 2016.

The amount of relief provided through the program increased from \$38,865 in 2006 to \$91,676 in 2007. Relief provided peaked in 2008 at \$102,125 and has since gradually declined to \$82,517 in 2016.

In 2017, 175 applicants qualified for relief totaling \$108,680. In 2018, those numbers were 160 and \$104,019; in 2019 they expected to be 152 and \$109,466.

In response to a request by Council Members, I am recommending that the Net Financial Worth Criteria be increase by an increment of \$5,000 and that the Combined Gross Income Criteria be increase by an increment of \$2,000.

Unfortunately, it is not possible to predict the impacts of the proposed changes to program participation or cost.

City Manager's Recommendation: If there is consensus among City Council members to adjust the tax relief program parameters, introduce the attached ordinance which would be subject to final consideration and adoption at the December 9th meeting.

Suggested Motion(s): Move the introduction of the ordinance.

Attachments:

Eligibility/Exemption Criteria Current and Proposed

Ordinance

Waynesboro- Current

		NET COMBINED FINANCAL WORTH									
Gross Combined Income	0 - 25,000	25,001 - 31,250	31,251 - 37,500	37,501 - 43,750	43,751 - 50,000	50,001 - 56,250	56,251 - 62,500				
0 - 18,000	100%	90%	80%	70%	60%	50%	45%				45%
18,001 - 21,000	85%	75%	65%	55%	50%	45%	40%				40%
21,001 - 24,000	70%	60%	55%	50%	45%	40%	35%				35%
24,001 - 27,000	50%	45%	40%	35%	30%	25%	20%				20%
27,001 - 30,000	35%	30%	25%	20%	15%	10%	5%				5%

Waynesboro-Proposed

		NET COMBINED FINANCAL WORTH									
Gross Combined Income	0 - 30,000	30,001 - 36,250	36,251 - 42,500	42,501 - 48,750	48,751 - 55,000	55,001 - 61,250	61,251 - 67,500				
0 - 20,000	100%	90%	80%	70%	60%	50%	45%				45%
20,001 - 23,000	85%	75%	65%	55%	50%	45%	40%				40%
23,001 - 26,000	70%	60%	55%	50%	45%	40%	35%				35%
26,001 - 29,000	50%	45%	40%	35%	30%	25%	20%				20%
29,001 - 32,000	35%	30%	25%	20%	15%	10%	5%				5%

ORDINANCE NUMBER 2019-



AN ORDINANCE AMENDING CHAPTER 78, TAXATION,
ARTICLE III, EXEMPTIONS FOR ELDERLY AND HANDICAPPED,
SECTION 78-63, OF THE CITY CODE OF THE CITY OF WAYNESBORO, VIRGINIA

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
WAYNESBORO, VIRGINIA THAT:

1. Chapter 78, Article III, Exemptions for Elderly and Handicapped, Section 78-63, of the
City Code of the City of Waynesboro, Virginia is amended in its entirety and readopted as follows:

Sec. 78-63 - Amount of exemption.

(a) Effective January 1, 2020 for eligible applicants, the amount of real estate tax
exemption for any taxable year shall be as follows:

Gross Combined Income	NET COMBINED FINANCIAL WORTH						
	0 - 30,000	30,001 - 36,250	36,251 - 42,500	42,501 - 48,750	48,751 - 55,000	55,001 - 61,250	61,251 - 67,500
0 - 20,000	100%	90%	80%	70%	60%	50%	45%
20,001 - 23,000	85%	75%	65%	55%	50%	45%	40%
23,001 - 26,000	70%	60%	55%	50%	45%	40%	35%
26,001 - 29,000	50%	45%	40%	35%	30%	25%	20%
29,001 - 32,000	35%	30%	25%	20%	15%	10%	5%

(b) A change in ownership to a spouse less than 65 years of age which resulted solely
from the death of his qualified spouse shall result in a prorated exemption for the then
current taxable year. Such prorated portion shall be determined by multiplying the
amount of the exemption or deferral by a fraction wherein the number of complete
months of the year such property was properly eligible for such exemption or deferral
is the numerator and the number 12 is the denominator.

2. The City Manager is hereby authorized to take all actions reasonably necessary, including
executing such documents as are reasonably necessary, to effectuate and carry out the purposes of this
Ordinance.

3. This Ordinance shall take effect immediately upon adoption by the City Council.

CERTIFICATE

The undersigned Mayor and Clerk of the City Council of the City of Waynesboro, Virginia hereby
certify that the foregoing constitutes a true and correct copy of an ordinance entitled Ordinance Amending
Chapter 78, Article III, Exemptions for Elderly and Handicapped, Section 78-63, of the City Code of the
City of Waynesboro, Virginia, adopted by the City Council at a meeting held on _____, 2019.

Introduced: _____, 2019

Adopted: _____, 2019

Effective: _____, 2019

ATTEST: _____
Clerk, City Council
City of Waynesboro, Virginia

Mayor, City Council
City of Waynesboro, Virginia