Consideration and approval of Proposed Ordinance #19-13 to Amend Section 18-57 and 18-58 of Article II, Division I of Chapter 18 of the Williamsburg City Code to Comply with House Bill 1655 Enacted during the 2019 Session of the Virginia General Assembly expanding the real property tax exemption for the surviving spouse of a service member and addressing ownership provisions - Chris Shelton, City Attorney

House Bill 1655 amends the Code of Virginia regarding the real property tax exemption for the surviving spouse of a disabled veteran with a 100% services-connected disability, or whose spouse was killed in action. The amendment extends the real property tax exemption to the subsequently owned principal residence(s) of the surviving spouse, not just the principal residence owned with the qualifying service member, and provides that the exemption continues so long as the spouse does not remarry. The proposed ordinance amends the City Code to comply with this requirement, and also contains an amendment to address situations in which a dwelling and the land on which the dwelling is located are owned by different owners.

That City Council adopt proposed ordinance #19-13.

I move that City Council adopt proposed ordinance #19-13.

Proposed Ordinance #19-13
ORDINANCE #19-13

PROPOSED ORDINANCE #19-13

AN ORDINANCE TO AMEND SECTIONS 18-57 AND 18-58 OF ARTICLE III, DIVISION 1 OF CHAPTER 18 OF THE WILLIAMSBURG CODE TO COMPLY WITH HOUSE BILL 1655 ENACTED AT THE 2019 SESSION OF THE VIRGINIA GENERAL ASSEMBLY

WHEREAS, at its 2019 Session the Virginia General Assembly enacted House Bill 1655 so as to extend the exemption afforded to principal residences of qualifying disabled veterans of the U.S. Armed Forces and their spouses and to principal residences of qualifying spouses of members of the U.S. Armed Forces killed in action an exemption from local real estate taxation of their dwelling houses; and

WHEREAS, previously such exemption applied only to the property owned and occupied by the qualifying veteran and spouse or spouse of a deceased member of the U.S. Armed Forces killed in action as the principal residence of such taxpayer(s) on the date that the exemption first applied; and

WHEREAS, House Bill 1655 mandates that such exemption apply to subsequent property owned and occupied by such qualifying persons as their principal residences;

NOW, THEREFORE, it is hereby ORDAINED, that Sections 18-57 and 18-58 of the Williamsburg Code are hereby amended and restated as follows:

Sec. 18-57. - Exemption for disabled veterans.

(a) Pursuant to Section 6-A of Article X of the Constitution of Virginia, there is hereby exempted from taxation the real property, including the joint real property of husband and wife, of any veteran who has been rated by the United States Department of Veterans Affairs, or its successor agency, pursuant to federal law, to have a 100 percent service-connected, permanent, and total disability, and who occupies the real property as his principal place of residence. The land area to be exempted hereby includes the parcel of land upon which the dwelling is located which is occupied by veteran as his or her principal place of residence and in addition to such dwelling such exemption shall also include every other improvement located upon such parcel so long as the principal use of the improvement is: (i) to house or cover motor vehicles or household goods and personal effects as classified in Code of Virginia, § 58.1-A(14) and as listed in Code of Virginia, § 58.1-3504; and (ii) for other than a business purpose. If the veteran's disability rating occurs after January 1, 2011, and he or she has a qualified primary residence on the date of the rating, then the exemption for such veteran under this section begins on the date of such rating. However,
the city shall not be liable for any interest on any refund due to the veteran for taxes paid prior to the veteran's filing of the affidavit or written statement required by subsection (c) below. If the qualified veteran acquires the property after January 1, 2011, then the exemption shall begin on the date of acquisition, and the previous owner may be entitled to a refund for a pro rata portion of real property taxes paid for the tax period to which the proration applies. If the dwelling owned and occupied by the veteran as his principal place of residence is located on land not owned by the veteran or the veteran and the veteran’s spouse, then only the dwelling, but not the land shall be exempt.

(b) The surviving spouse of a veteran eligible for the exemption set forth in this section shall also qualify for the exemption, so long as the death of the veteran occurred on or after January 1, 2011, the surviving spouse does not remarry. The exemption applies without any restriction on the spouse’s moving to a different principal place of residence.

Sec. 18-58. - Exemption of qualifying dwellings of surviving spouses of certain members of the United States Armed Forces killed in action.

(b) Those dwellings in the City with assessed values in the most recently ended tax year that are not in excess of the average assessed value for such year of a dwelling situated on property that is zoned as single-family residential shall qualify for a total exemption from real property taxes under this article. If the value of a dwelling is in excess of the average assessed value as described in this subsection, then only that portion of the assessed value in excess of the average assessed value shall be subject to real property taxes, and the portion of the assessed value that is not in excess of the average assessed value shall be exempt from real property taxes. Single-family homes, condominiums, town homes, and other types of dwellings of surviving spouses that: (i) meet this requirement; and (ii) are occupied by such persons as their principal place of residence shall qualify for the real property tax exemption and are hereinafter referred cumulatively as "qualifying dwellings" and singularly as "qualifying dwelling." If the qualifying dwelling is located on land not owned by the veteran or the veteran and the veteran’s spouse, then only the dwelling, but not the land shall be exempt.

(c) The surviving spouse of a member of the armed forces killed in action shall qualify for the exemption so long as the surviving spouse does not remarry and continues to occupy the real property as such surviving spouse’s principal place of residence. The exemption applies without any restriction on the spouse’s moving to a different principal place of residence. The exemption here provided includes the qualifying dwelling or the portion of the value of such dwelling, or portion of the value of such dwelling and land.
upon which it is situated as provided in subsection (b) above, as well as every other improvement located upon such parcel so long as the principal use of the improvement is: (i) to house or cover motor vehicles or household goods and personal effects as classified in Code of Virginia, § 58.1-A(14) and as listed in Code of Virginia, § 58.1-3504; and (ii) for other than a business purpose.

EXCEPT, as here amended, the Williamsburg Code shall remain unchanged.

Adopted: ____________________________

Paul T. Freiling, Mayor

Attest: ____________________________

Debi Burcham, Clerk of Council