

**ORDINANCE NO. 7536-19**

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 40, TAXATION, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE II., REAL ESTATE TAXES, BY ADDING THERETO A NEW DIVISION, NAMELY: DIVISION 5., DEFERRAL FOR HOUSING DEVELOPMENTS ELIGIBLE FOR FEDERAL LOW-INCOME HOUSING CREDITS.

BE IT ORDAINED by the Council of the City of Newport News, Virginia:

1. That Chapter 40, Taxation, of the Code of the City of Newport News Virginia, Article II., Real Estate Taxes, be, and the same hereby is, amended and reordained by adding thereto a new division, namely: Division 5., Deferral For Housing Developments Eligible for Federal Low-Income Housing Credits, as follows:

**CHAPTER 40**

**TAXATION**

**ARTICLE II. REAL ESTATE TAXES**

**DIVISION 5. DEFERRAL FOR HOUSING DEVELOPMENTS ELIGIBLE FOR  
FEDERAL LOW-INCOME HOUSING CREDITS**

**Sec. 40-59.1. Definitions.**

For the purposes of this division, the following words and phrases shall have the meanings respectively ascribed to them by this section:

*Affidavit.* The real estate tax deferral affidavit provided for in this division.

*Deferral.* Deferral from the real estate tax of the city according to the provisions of this division.

*Tax year.* The fiscal year, from July 1 until June 30, for which a deferral is claimed under this division.

**Sec. 40-59.2. Deferral of portion of real estate tax increases authorized.**

Effective with the tax year beginning July 1, 2019, real estate tax deferral is provided for owners of housing developments identified in the Marshall-Ridley Choice Neighborhood

Transformation Plan, as adopted by the city council, which are eligible for low-income housing credits under the United States Internal Revenue Code, for which the real estate tax for the tax year is greater than 105 percent of the real estate tax on the property in the previous tax year. The deferral authorized in this division is adopted pursuant to authority granted in § 58.1-3219 of the Code of Virginia, 1950, as amended.

**Sec. 40-59.3. Applicant's affidavit; manager's certification to treasurer.**

(a) The person or persons seeking a deferral for the upcoming tax year shall annually file a real estate tax deferral affidavit with the city manager or his designee between May 1 and June 30. Failure to submit a real estate tax deferral affidavit by June 30 shall disqualify any otherwise qualified applicant from the receipt of real estate tax deferral for the upcoming tax year.

(b) The affidavit required by this section shall set forth, in a manner prescribed by the city manager, the name of the applicant for deferral, the amount of the deferral sought, and shall certify that the real estate for which deferral is sought is eligible for low-income housing credits under the United States Internal Revenue Code and is identified in the Marshall-Ridley Choice Neighborhood Transformation Plan, as adopted by the city council. The city manager may require such additional documentation as is necessary to verify such eligibility.

**Sec. 40-59.4. Conditions and amount of deferral; payment of deferred amounts.**

(a) The deferred amount may include all or any portion of the real estate tax which is greater than 105 percent of the real estate tax on the property in the previous tax year, the amount to be deferred to be elected by the applicant.

(b) The deferred amount shall be subject to interest computed at the rate established pursuant to Section 6621 of the United States Internal Revenue Code.

(c) The accumulated amount of taxes deferred and interest shall be paid to the treasurer of the city by the owner upon the sale or transfer of the property, or from the estate of the decedent within one year after the death of the owner.

(d) If the real estate is jointly owned and all such owners applied and qualified for deferral, the death of one of the joint owners shall not disqualify the surviving owner or owners from participating in the deferral program. All accumulated deferred taxes and interest shall be paid within one year of the date of death of the last qualifying owner.

(e) The accumulated amount of tax deferred and interest shall constitute a lien upon the real estate.

**Sec. 40-59.5. Administration of tax deferral; rules and regulations of city manager.**

The deferral provided for in this division shall be administered by the city manager according to the provisions of this division, provided that the city manager may designate another officer, employee or constitutional officer to perform these duties. The city manager is hereby authorized and empowered to prescribe, adopt, promulgate and enforce such rules and regulations, in conformance with the provisions of this division, including the requirement of answers under oath, as may be reasonably necessary to determine qualifications for deferral as specified in this division.

**Sec. 40-59.6. Limitations.**

The deferral program provided under this division shall not apply to the following:

- (a) Real estate which participates in a real estate tax relief or deferral program for the elderly or permanently or totally disabled pursuant to Article 2 (§ 58.1-3210 et seq.) of Chapter 32 of Title 58.1 of the Code of Virginia, 1950, as amended.
- (b) Persons who are delinquent on any portion of real estate taxes for which deferral is sought.
- (c) Real estate assessed on the basis of use value pursuant to Article 4 (§ 58.1-3230 et seq.) of Chapter 32 of Title 58.1 of the Code of Virginia, 1950, as amended.

2. That this ordinance shall be in effect on and after the date of its adoption, February 26, 2019.

PASSED BY THE COUNCIL OF THE CITY OF NEWPORT NEWS ON FEBRUARY 26, 2019

Mabel Washington Jenkins, MMC  
City Clerk

McKinley L. Price, DDS  
Mayor

A true copy, teste:

City Clerk