



XV

Agenda Item

**County of Hanover**

**Board Meeting: May 14, 2014**

**Subject:** Public Hearing - Consideration of Ordinance 14-06 – Amendment to the Hanover County Code, Chapter 22, “Taxation”

**Summary of Agenda Item:** A public hearing to amend the Hanover County Code to conform to statutory changes enacted by the 2014 General Assembly. The amendments expand the exemptions for elderly and disabled persons, solar energy equipment, property owned by churches, and household goods. In addition the amendment outlines the process for conversion of manufactured homes into real property.

**County Administrator’s Recommended Board Motion:** Motion to approve proposed Ordinance 14-06, Hanover County Code Amendment to conform to statutory changes enacted by the 2014 General Assembly.

**PUBLIC HEARING NOTICE**  
**HANOVER COUNTY BOARD OF SUPERVISORS**

The Hanover County Board of Supervisors will hold a public hearing on **Wednesday, May 14, 2014 at 7:00 p.m.** in the Board meeting room at the Hanover County Administration Building, 7516 County Complex Road, at Hanover Courthouse, Hanover, Virginia, on the following ordinance being proposed for adoption:

**ORDINANCE 14-06**

**AN ORDINANCE AMENDING THE HANOVER COUNTY CODE, CHAPTER 22, "TAXATION," TO CONFORM TO STATUTORY CHANGES ENACTED BY THE 2014 GENERAL ASSEMBLY, INCLUDING AMENDMENTS EXPANDING THE EXEMPTIONS FOR ELDERLY AND DISABLED PERSONS, SOLAR ENERGY EQUIPMENT, PROPERTY OWNED BY CHURCHES, AND HOUSEHOLD GOODS; AND OUTLINING THE PROCESS FOR CONVERSION OF MANUFACTURED HOMES INTO REAL PROPERTY.**

A complete copy of the proposed ordinance and related information is available at the office of the County Administrator any regular working day between 8:30 a.m. and 5:00 p.m.

All persons wishing to comment on the proposal may appear at the stated time and place.

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Cecil R. Harris, Jr., County Administrator

Publish: April 24, 2014 and May 1, 2014

**ORDINANCE 14-06**

**AN ORDINANCE AMENDING THE HANOVER COUNTY CODE, CHAPTER 22, "TAXATION," TO CONFORM TO STATUTORY CHANGES ENACTED BY THE 2014 GENERAL ASSEMBLY, INCLUDING AMENDMENTS EXPANDING THE EXEMPTIONS FOR ELDERLY AND DISABLED PERSONS, SOLAR ENERGY EQUIPMENT, PROPERTY OWNED BY CHURCHES, AND HOUSEHOLD GOODS; AND OUTLINING THE PROCESS FOR CONVERSION OF MANUFACTURED HOMES INTO REAL PROPERTY.**

WHEREAS the Board of Supervisors has authority to enact various taxes pursuant to the Virginia Code, Title 58.1, and to provide for certain tax exemptions; and

WHEREAS the 2014 Session of the Virginia General Assembly, by adoption of Acts of Assembly Chapters 259, 279, 615, 624 and 767 amended various sections of the Virginia Code relating to tax exemptions for certain types of properties and classification of manufactured homes for tax purposes; and

WHEREAS the Board finds that Chapter 22 of the County Code pertaining to taxation requires revisions to incorporate these changes in state law; and

WHEREAS the Board finds that it is in the best interests of the County to amend the County Code to reflect these changes.

NOW, THEREFORE, BE IT ORDAINED by the Board of Supervisors of Hanover County:

**1. That the Hanover County Code, Chapter 22, Taxation, Article II, Real Estate Taxes, Division 3, Exemption for Elderly and Disabled Persons, Sections 22-19 and 22-21 shall be amended to read in their entirety as follows:**

**Sec. 22-19. Authorized.**

(a) For purposes of this section, "eligible person" means a person who is either sixty-five (65) years of age or older or totally and permanently disabled.

(b) The dwelling, and up to ten (10) acres of land upon which it is situated, subject to real estate taxation by the county, may be exempted from such tax, when such property is owned by and occupied as the sole dwelling of an eligible person, subject to the restrictions and conditions set out in this division.

(c) A dwelling jointly held by a husband and wife may qualify for the exemption, if either spouse is sixty-five (65) years of age or older, or is permanently and totally disabled, subject to the restrictions and conditions set out in this division.

(d) The exemption may be granted for any year following the date that the eligible person occupying such dwelling and owning title or partial title thereto reaches the age of sixty-five (65) years or for any year following the date the disability occurred.

(e) Real property qualifying for this exemption includes real property: (i) held by the eligible person alone or in conjunction with his spouse as tenant or tenants for life or joint lives, (ii) held in a revocable inter vivos trust over which the eligible person or the eligible person and his spouse hold the power of revocation, or (iii) held in an irrevocable trust under which an eligible person alone or in conjunction with his spouse possesses a life estate or an estate for joint lives or enjoys a continuing right of use or support, subject to the restrictions and conditions set out in this division.

**Sec. 22-21. General prerequisites to grant.**

Exemptions provided for in this division shall be granted only if the following conditions are met:

(a) That the total combined income received from all sources during the preceding calendar year by:

(1) Owners of the dwelling who use it as their principal residence, and

(2) Owners' relatives who live in the dwelling, except for those providing care as described in subsection (b), shall not exceed fifty thousand dollars (\$50,000.00). Ten thousand dollars (\$10,000.00) of income of each relative, who is not the spouse of an owner, living in the dwelling and who does not qualify for this exemption shall not be included in the total combined income calculation. Ten thousand dollars (\$10,000.00) of income is excluded for an owner who is permanently disabled.

(b) Notwithstanding subsection (a) of this section, if a person qualifies for an exemption and if the person can prove by clear and convincing evidence that the person's physical or mental

health has deteriorated to the point that the only alternative to permanently residing in a hospital, nursing home, convalescent home, or other facility for physical or mental care is to have a relative move in and provide care for the person and if a relative does move in for that purpose, then none of the income of the relative or of the relative's spouse shall be counted toward the income limit; provided the owner of the residence has not transferred assets in excess of ten thousand dollars (\$10,000.00) without adequate consideration within a three-year period prior to, or after the relative moves into such residence.

(c) That the net combined financial worth, including the present value of all equitable interests, as of December 31 of the immediately preceding calendar year, of the owners and of the spouse of any owner, excluding the value of the dwelling and land, not exceeding ten (10) acres upon which it is situated, shall not exceed two hundred thousand dollars (\$200,000.00). The value of furnishings, including furniture, household appliances and other items typically used in a home, shall also be excluded.

(d) "Income" shall mean total gross income from all sources, without regard to whether a tax return is actually filed. "Income" shall not include life insurance benefits or receipts from borrowing or other debt.

**2. That the Hanover County Code, Chapter 22, Taxation, Article II, Real Estate Taxes, Division 4, Exemption for Solar Energy Equipment, Section 22-28 shall be amended to read in its entirety as follows:**

**Sec. 22-28. Exemption for solar energy equipment.**

(a) Certified solar energy equipment shall be partially exempt from taxation as real or personal property.

(b) "Certified solar energy equipment, facilities or devices" means any property, including real or personal property, equipment, facilities, or devices, excluding any such property that is exempt under Virginia Code § 58.1-3660, certified by the building inspector to be designed and used primarily for the purpose of collecting, generating, transferring, or storing thermal or electric energy.

(c) Local tax rate means the real estate property tax rate.

**3. That the Hanover County Code, Chapter 22, Taxation, Article III, Tax on Tangible Personal Property, Machinery and Tools and Merchants' Capital, Sections 22-47 and 22-48 shall be amended to read in their entirety as follows:**

**Sec. 22-47. Special provisions for manufactured homes.**

(a) A manufactured home may be converted from personal property to real property and from real property to personal property by following the procedures set forth in Virginia Code § 46.2-653.1, as amended.

(b) All vehicles without motive power, used or designed to be used as manufactured homes but not yet converted to real property, shall constitute a separate classification for personal property taxation separate from other such classifications on tangible personal property; provided, however, that the ratio of assessment and the rate of tax shall be the same as that applicable to real property in the county.

(c) Whenever a manufactured home is delivered or moved into the county after January first and used as a place of fulltime residence by any person, the commissioner of revenue shall quarterly prorate any property taxes which would have been collectible had such manufactured home been situated within the county on January first of that year.

(d) Whenever a manufactured home, is delivered or moved into the county after January 1, the commissioner of revenue shall, after assessing the manufactured home and ascertaining the proper amount of tax due, certify the assessment to the treasurer who shall notify the taxpayer, as soon as practicable of the amount of tax owed. Such tax shall be paid within thirty (30) days from the date of such notice. The treasurer shall assess the applicable penalty and interest on all such unpaid taxes as provided for tangible personal property tax or real estate tax, as applicable.

**Sec. 22-48. Exemption of household goods and personal effects and personal property related to agriculture.**

Household goods and personal effects owned and used by an individual or by a family or household primarily incident to maintaining an abode and items of personal property related to agriculture which are defined as separate items of taxation and classified by Virginia Code §§ 58.1-3504 and 58.1-3505, including future amendments, are exempt from the tax on personal property.

**4. That the Hanover County Code, Chapter 22, Taxation, Article IV, Property Exempt from Taxation by Classification and Designation, Section 22-53 shall be amended to read in its entirety as follows:**

**Sec. 22-53. Specific exemptions.**

Real and personal property exempt from taxation shall include the following:

- (a) Property owned directly or indirectly by the commonwealth, or any political subdivision thereof.
- (b) Real property and the furniture and furnishings therein owned by churches or religious bodies, including an incorporated church or religious body, and exclusively occupied or used for religious worship or for the residence of the minister of any church or religious body, and such additional adjacent land reasonably necessary for the convenient use of any such property. Real property exclusively used for religious worship shall also include the following: (a) property used for outdoor worship activities; (b) property used for ancillary and accessory purposes as allowed under the local zoning ordinance, the dominant purpose of which is to support or augment the principle religious worship use; and (c) property used as required by federal, state, or local law.
- (c) Nonprofit private or public burying grounds or cemeteries.
- (d) Property owned by public libraries, law libraries of local bar associations when the same are used or available for use by a state court or courts or the judge or judges thereof, medical libraries of local medical associations when the same are used or available for use by state health officials, incorporated colleges or other institutions of learning not conducted for profit. This paragraph shall apply only to property primarily used for literary, scientific or educational purposes or purposes incidental thereto and shall not apply to industrial schools which sell their products to other than their own employees or students.
- (e) Property belonging to and actually and exclusively occupied and used by the Young Men's Christian Associations and similar religious associations, including religious mission boards and associations, orphan or other asylums, reformatories, hospitals and nunneries, conducted not for profit but exclusively as charities (which shall include hospitals operated by nonstock corporations not organized or conducted for profit but which may charge persons able to pay in whole or in part for their care and treatment).
- (f) Parks or playgrounds held by trustees for the perpetual use of the general public.
- (g) Buildings with the land they actually occupy, and the furniture and furnishings therein belonging to any benevolent or charitable organization and used by it exclusively for lodge purposes or meeting rooms, together with such additional adjacent land as may be necessary for the convenient use of the buildings for such purposes.
- (h) Property of any nonprofit corporation organized to establish and maintain a museum.

(i) The real and personal property of an organization classified or designated as exempt pursuant to the Virginia Code, Title 58.1, Chapter 36, Articles 2, 3, and 4, and used by such organization for a religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purpose as set forth in Article X, Section 6(a)(6) of the Constitution of Virginia shall be exempt from taxation, so long as such organization is operated not for profit and the property so exempt is used in accordance with the purpose for which the organization was classified or designated.

**5. That sections 1, 3, and 4 of this ordinance shall be effective on the date of adoption, and that section 2 shall be effective January 1, 2015.**

On motion of , seconded by , the members of the Board of Supervisors voted to approve Ordinance No. 14-06, as follows:

This is to certify that the above is a true copy of Ordinance 14-06 adopted by the Hanover County Board of Supervisors on \_\_\_\_\_, 2014.

Public Hearing: May 14, 2014

Adopted:

Dated:

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Cecil R. Harris, Jr., County Administrator  
Clerk, Hanover County Board of Supervisors