City Council
Monday, April 14, 2025

AGENDA

AMENDED

Special Meeting/ Session - 5pm, Martinsville Municipal Building -- Council Chambers

1. **Call to Order**
2. **Pledge to the American Flag**
3. **Budget Presentations by Constitutional Offices and Courts**
    a. Presentation Schedule
4. **Regular Agenda or New Business**
    a. Discuss and Consider 1 Ellsworth Lease Option
    b. Discuss and Consider Second Reading of an Ordinance Adjusting Elderly and Disabled Tax Rate Exemption
5. **Adjournment**

Item: 3.a.

STAFF REPORT

To: City Council
From: Robert Floyd, Budget Administrator
Subject: Presentation Schedule
Department/Office: Budget
Meeting Date: April 14, 2025

Summary:
Presentations of City Constitutional Offices' & Courts' Proposed Budgets by Constitutional Officers and Courts.

Policy Explanation:
Not Applicable for Presentations

Recommended Action:
None at this time.

Fiscal Impact/Funding Source:
None, unless decisions are made by Council.

Available Budget: Not Applicable for Presentations
Purchase Amount: Not Applicable for Presentations

Attachments:
1. Revised April 14th Schedule (2)

April 14th Constitutional Presentation Schedule

5:00 PM	Opening & Introductions
5:10 PM	Sheriff
5:25 PM	Registrar & Electoral Board
5:40 PM	Clerk of Circuit Court
5:55 PM	Commissioner of Revenue
6:10 PM	Commonwealth Attorney
6:25 PM	Break
6:40 PM	General District Court
6:55 PM	Juvenile & Domestic Relations Court
7:10 PM	Victim Witness Program
7:25 PM	Treasurer
7:40 PM	Close

Item: 4.a.

STAFF REPORT

To: City Council
From: Greg Maggard, Managing Director of Public Works, Eric Payne, Managing Director of Community Development
Subject: Discuss and Consider 1 Ellsworth Lease Option
Department/Office: Public Works
Meeting Date: April 14, 2025

Summary:
As part of the Redevelopment Agreement, the City has until April 30, 2025 to exercise its option for a long-term lease of space on the first floor of 1 Ellsworth Street. This space is contemplated to be used as City Administrative Offices.

Policy Explanation:

Recommended Action:
1. City Council Approve
2. City Council Do Not Approve
3. Other Actions as Decided by City Council

Fiscal Impact/Funding Source:
General Fund will support lease payments.

Available Budget: To be determined.
Purchase Amount: Negotiable.

Attachments:
None

Item: 4.b.

STAFF REPORT

To: City Council
From: Robert Floyd, Budget Administrator, Edena Reese-Atmore, Chief Operating Officer
Subject: Discuss and Consider Second Reading of an Ordinance Adjusting Elderly and Disabled Tax Rate Exemption
Department/Office: Budget
Meeting Date: April 14, 2025

Summary:

The City implemented section 21-7 Real Estate Tax Exemption of the City Code in 2006. The original ordinance reflected 10 levels of income and relief income limits for tax relief and provided a cap. The income limit is currently outdated. The City of Martinsville seeks to provide greater financial assistance to qualifying low-income seniors and individuals with disabilities to alleviate the burden of property taxes on fixed incomes. The City Council recognizes that many elderly and disabled citizens struggle to meet their property tax obligations, and it is in the public interest to support these residents with increased tax relief. The City of Martinsville has the authority under the Virginia Code and the Martinsville City Charter to enact measures providing property tax exemptions for qualified residents.

The City of Martinsville requested staff to review the current real estate tax deferral ordinance for possible revisions that would reflect current trends and economic factors. The Commissioner of Revenue and the City Attorney, Sans Anderson, collaborated to present a recommended draft of the proposed new ordinance to address the elderly and disadvantaged residents of the City of Martinsville.

Policy Explanation:

The City of Martinsville has the authority under the Virginia Code and the Martinsville City Charter to enact measures, such as the ordinance provided, providing property tax exemptions for qualified residents.

Recommended Action:

1. City Council Approve the Second Reading
2. City Council Do Not Approve the Second Reading
3. Other Actions as Determined Necessary by City Council

Fiscal Impact/Funding Source:

The amount of tax relief will vary as it is largely dependent upon the number of overall applicants. However, it is anticipated that it will reduce the City's received revenue by approximately $76, 800.

Available Budget: Not applicable.
Purchase Amount: Not applicable.

Attachments:
1. 2006-12-Elderly Tax Relief-final (clean no cap2)

City of Martinsville, Virginia

Ordinance No. 2025-___

BE IT ORDAINED by the Council of the City of Martinsville, Virginia, in Regular Session held on April __, 2025, that Section 21-7 Real Estate Tax Exemption, of the City Code is amended to read as follows:

Sec. 21-7 **Real estate tax exemption**.

(a) The provisions of this section shall be administered by the commissioner of the revenue of the city according to the terms, conditions and restrictions set forth herein, and said commissioner is hereby authorized and empowered to prescribe, adopt, and enforce rules and regulations for the administration of this section.

(b) Said real estate tax exemption will be granted to persons qualifying therefor on the following basis:

(1) The total combined income during the immediately preceding calendar year from all sources of the owners of the dwelling living therein, and of the owner's relatives living in the dwelling, shall not exceed thirty-five thousand dollars ($35,000.00) provided:

a. That the first ten thousand dollars ($10,000.00) of income of each relative, other than the spouse of the owner, or owners, who is living in the dwelling shall not be included in such total; and

b. That the first ten thousand dollars ($10,000.00) of income shall be excluded for an owner who is permanently disabled.

However notwithstanding this subsection (b)(1), if a person has already qualified for an exemption or deferral, and if the person can prove by clear and convincing evidence that after so qualifying 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 then move in for that purpose, then none of the relative's income shall be counted towards the income limit.

(2) The net combined financial worth, including equitable interests as of the thirty-first day of December of the immediately preceding calendar year, of the owners and of the spouse of any owner, excluding the value of the dwelling and the land, not exceeding ten (10) acres, upon which it is situated,

and excluding furnishings, shall not exceed sixty-five thousand dollars ($65,000.00). Such furnishings shall include furniture household appliances and other items typically used in a home.

(3) The person or persons claiming such exemption shall file annually with the commissioner of the revenue, on forms to be supplied by the commissioner of the revenue, an affidavit setting forth the names of the related persons occupying such real estate, stating that the total combined net worth, including equitable interests, and the combined income from all sources of such person, or persons, do not exceed the limits described herein, and such affidavit shall be filed not later than the first day of April of each year. All applications for tax relief received after April 1 shall apply to the following tax year. The commissioner of the revenue is authorized to accept and process late filings in the case of (a) first time applicants, or (b) where the commissioner of the revenue determines that the failure to grant the exemption would serve to create an extreme hardship for the applicant. The commissioner of the revenue is authorized to make such further inquiry of persons seeking such exemption, requiring answers under oath, as may be reasonably necessary to determine their qualifications therefore as specified herein, and the commissioner of the revenue is further authorized to require the production of certified tax returns to establish the income or financial worth of any applicant for tax relief hereunder. An individual under the age of sixty-five (65) claiming such exemption shall provide certification by the Social Security Administration, the Veterans Administration, or the Railroad Retirement Board, or, if such person is not eligible for certification by any of these agencies, a sworn affidavit by two 2 medical doctors licensed to practice medicine in the commonwealth or military officers on active duty who practice medicine with the United States Armed Forces to the effect that such person is permanently and totally disabled as defined in Code of Virginia section 58.1-3217; however, a certification pursuant to 42 U.S.C. 423(d) by the Social Security Administration, so long as the person remains eligible for such Social Security benefits, shall be deemed to satisfy such definition in section 58.1-3217 The affidavit of at least one of the doctors shall be based upon a physical examination of the person by such doctor.

(4) The exemption hereunder is granted for any year following the date that the head of the household occupying such dwelling and owning title or partial title thereto reaches the age of sixty-five (65) years, or is determined to be permanently and totally disabled. Changes in respect to income, financial worth, ownership of property, or other factors occurring during the taxable year for which the affidavit is filed, and having the effect of exceeding or violating the limitations and conditions provided herein, shall nullify any exemptions for the then-current taxable year and the taxable year immediately following.

(5) In the event the person or persons claiming exemption qualify therefor, the amount of said exemption shall be as shown on the following schedule, which shall be effective retroactively to January 1, 2025:

Total Income From All Sources	Tax Exemption
$0.00 - $12,500.00	100%
$12,501.00 - $20,000.00	75%
$20,001.00 - $27,500.00	50%
$27,501.00 - $35,000.00	25%

The foregoing income limits stated in this section 21-7(b)(5) shall be adjusted for inflation on January 1 of each succeeding year in accordance with the CPI-W as published by the United States Department of Labor, Bureau of Labor Statistics, which is utilized by the Social Security Administration to calculate cost of living adjustments for benefit recipients.

However, a change in property ownership to a spouse (a qualifying person to a non-qualifying person), when such change resulted solely from the death of the qualifying individual, or a sale of such property shall result in a prorated exemption of such relief granted for the then-current taxable year. The proceeds of the sale shall not be included in the computation of new worth or income as provided in subsections (b)(1) and (b)(2) herein.

(6) False claims. Any person falsely claiming an exemption under this section shall be guilty of a class 1 misdemeanor.

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The members of Council voted as follows on the foregoing Ordinance:

<u>Ayes</u> **<u>Nays</u>**

<u>Absent</u> **<u>Abstentions</u>**

Attest:

____

Peyton Nibblett, Deputy Clerk of Council

Date Adopted

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Date Effective