



CITY ASSESSOR'S OFFICE

City of Lynchburg, Virginia
900 Church Street
Lynchburg, Virginia 24504
(434) 455-3830

OFFICIAL USE ONLY

Application No. _____

TAX EXEMPTION REHABILITATED/RENOVATED STRUCTURES [FOR DAMAGED OR DESTROYED STRUCTURES] APPLICATION FORM

I hereby request partial exemption from real estate taxes for qualifying property to be rehabilitated/renovated as provided by City Ordinance Section 36-177-1 of the Lynchburg City Code.

Owner: _____

Property Location: _____

Parcel ID: _____ Neighborhood No.: _____

Year Built: _____ Estimated Cost of Work: _____

Check one: Residential (\$125) Multifamily (5 units or more) (\$250) Commercial or Industrial (\$250)

Applications must be presented in person. Do not mail.

Description of work to be done: _____

- Copy of Appropriate Building Permit attached.
- Project as described does not require a building permit. _____ (Planning Init)

I certify that the statements contained in this application are to the best of my knowledge both correct and true and that I have received a copy of the aforementioned ordinance. I have reviewed and understand the requirements of this program **particularly the points outlined on the reverse** of this form. **I also understand that the application fee is non-refundable regardless of whether the property qualifies for the exemption. I further understand that I must complete the work and notify the Assessor's office within two (2) years of the date of this application or this application will expire and I will not be eligible for the exemption. I also understand real estate taxes must be paid in full and current, and failure to do so will result in removal from the City's Rehabilitation & Renovation Program.**

Mailing Address: (Check if different from billing address) _____ Given under my hand this ____ day of _____, 20 ____

Owner or Agent Signature(s): _____

Telephone No. _____

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Date of Initial Inspection: _____ Appraiser: _____ Base Value \$ _____

Date of Final Inspection: _____ Appraiser: _____ Rehabilitation Value \$ _____

Permit No.: _____ Amount of Exemption (if qualifying): \$ _____

Date: _____ Exemption effective July 1, _____

Exemption ends June 30, _____

Key Code: **MISC** Accounting Code: **1001-0010-150-05050.2090**

QC: Parcel ID Verified: _____ Year Built Verified: _____ Building Permit Attached: _____

Neighborhood # Verified: _____ Receipt of payment from Collections: _____ Signed & Dated: _____

Mailing Address Verified: _____

SUMMARY OF CITY CODE SEC. 36-177-1

DESTROYED CRITERIA:

1. As a result of an act of God.
2. Natural disaster.
3. Other means which was through no fault of owner or tenant by neglect or willful action.
4. Applies to any structure within the Lynchburg City corporate limit.

FINAL EXEMPTION:

1. Replacement structure must be equal to at least 100% of the assessed fair market value of the structure prior to the damage or destruction.
2. For residential, commercial, and industrial properties:
50% of the fair-market value of the replacement portion/structure only for 10 years, stepping down 25% for each of the last three years.
3. For multi-family structures:
50% of the fair market value of the replacement portion/structure only for 8 years, stepping down 25% for each of the last three years.
4. Tax must be paid in full and current throughout the program. Failure to do will result in removal from the Program.



LYNCHBURG CITY CODE SECTION 36-177
EXEMPTION OF REAL ESTATE TAXES
FOR
CERTAIN REHABILITATED OR RENOVATED
RESIDENTIAL AND COMMERCIAL AND INDUSTRIAL
PROPERTIES

January 1, 2018

§36-177. - Exemption of real estate taxes for certain rehabilitated or renovated residential and commercial and industrial real estate.

(a) Definitions. For the purpose of this section, the following words and phrases shall have the meaning respectively ascribed to them by this subsection unless another meaning shall clearly appear from the text:

(1) Substantially rehabilitated or renovated residential real estate: Real estate upon which there is an existing residential structure, which is no less than 50 years of age, and which has been so improved as to increase the assessed value of the structure by no less than 40 percent. An addition to an existing residential structure shall not qualify as substantial rehabilitation or replacement unless there is also simultaneous rehabilitation or renovation of the existing structure. In order for an addition to an existing structure to qualify as substantial rehabilitation or renovation, the addition must be for improvements to the living areas of the structure, such as bathrooms, kitchens, bedrooms and similar facilities not to exceed 15 percent of the original above-grade living area at the time of application. Additions for such things as garages, swimming pools, patios and similar facilities that are not used as living areas for the structure shall not be eligible for a tax exemption. Additions greater than 15 percent will be prorated to only allow 15 percent of the addition to be exempted.

(2) Substantially rehabilitated or renovated multifamily (five units or more), commercial, or industrial real estate: Any real estate upon which there is an existing multifamily, commercial, or industrial structure which is no less than 25 years of age, and which has been so improved as to increase the assessed value of the structure by no less than 60 percent. An addition to an existing multi-family, commercial, or industrial structure shall not qualify as substantial rehabilitation or replacement unless there is also simultaneous rehabilitation or renovation of the existing structure. In order for an addition to an existing structure to qualify as substantial rehabilitation or renovation, the addition must be for improvements to the existing areas of the structure not to exceed 15 percent of the original gross leasable square footage at the time of application. Additions greater than 15 percent will be prorated to only allow 15 percent of the addition to be exempted.

(3) Base value: The assessed value of any structure covered by this section prior to the commencement of rehabilitation or renovation work, as determined by the City Assessor upon receipt of an eligible application for rehabilitated or renovated real estate tax exemption and after a physical inspection of the property by an appraiser from the City Assessor's Office.

(4) Rehabilitated or renovated real estate tax exemption: An amount equal to the increase in assessed value resulting from the substantial rehabilitation or renovation of a structure as determined by the City Assessor and this amount only should be applicable to subsequent tax exemption.

(5) Taxable year: For the purpose of this section, the fiscal year from July 1 through June 30 for which such real estate tax is imposed for the exemption claimed.

(6) Taxes: Real estate taxes must not be delinquent in order for the exemption to go into and remain in effect.

(6 7) Owner: The person or entity in whose name the structure is titled or a leasee who is legally obligated to pay real estate taxes assessed against the structure.

(b) Rehabilitated or renovated real estate tax exemptions. It is hereby declared to be the purpose of this section to authorize a rehabilitated or renovated real estate tax exemption for substantially rehabilitated or renovated residential, multifamily, commercial, or industrial real estate located anywhere within the City of Lynchburg.

(1) For each residential property that qualifies, the rehabilitated or renovated real estate tax exemption shall be effective for a period of ten years commencing on July 1 for any completed work approved rehabilitation/renovation during the preceding fiscal year.

(2) For each commercial or industrial (2) property that qualifies, the rehabilitated or renovated real estate tax exemption shall be effective for a period of five ten years commencing on July 1 for any work completed during the preceding fiscal year.

(3) For each multifamily property that qualifies, the rehabilitated or renovated real estate tax exemption shall be effective for a period of eight years commencing on July 1 for any completed approved rehabilitation/renovation during the preceding fiscal year.

(c) Graduated real estate tax exemptions. The rehabilitated or renovated real estate tax exemption for the last three years for residential, multifamily, commercial, or industrial structures will be reduced by twenty-five (25) percent each year commencing on July 1 so that the final year of the exemption is only twenty-five (25) percent of the initial exemption.

(d) Usual and customary methods of assessing. In determining the base value and the increased value resulting from substantial rehabilitation or renovation of residential, multifamily, commercial, or industrial real estate, the City Assessor shall employ usual and customary methods of assessing real estate.

(e) Eligibility requirements:

(1) An application to qualify a structure as a substantially rehabilitated or renovated residential, multifamily, commercial, or industrial structure must be filed with the City Assessor's Office before work is started. Applications may be obtained from the City Assessor's Office.

(2) Upon receipt of an application for rehabilitated or renovated real estate tax exemption, two appraisers from the City Assessor's Office shall make a physical inspection of the structure and determine the assessed base value of the structure. If work has been started prior to the first inspection; the base value will include any work started and will reflect the market value of the structure as of the date of the first inspection.

(3) The application to qualify shall be effective for a period of two years from the date of filing. No extensions of this time period will be granted.

(4) Upon completion of the rehabilitation or renovation, the owner of the property shall notify the City Assessor, and two appraisers from the City Assessor's Office shall physically inspect the property and perform an after rehabilitation or renovation appraisal to determine if it then qualifies for the rehabilitated or renovated real estate tax exemption.

(5) Upon determination that the property has been substantially rehabilitated or renovated pursuant to the terms of this section, the rehabilitated or renovated real estate tax exemption shall become effective for a period as provided in paragraph (b) hereof.

(6) Prior to a determination that the property has been substantially rehabilitated or renovated the owner of the property shall continue to be subject to taxation upon the full value of the property, as otherwise authorized by this Code.

(7) No improvements made upon vacant land nor total replacement of residential, multifamily, commercial or industrial structures shall be eligible for rehabilitated or renovated real estate tax exemption as provided by this section. Tax exemptions for improvements for the replacement or repair of damaged or destroyed structures within the City's redevelopment or conservation areas or rehabilitation districts or for designated multifamily, commercial, or industrial new construction are regulated by section 36-177.1 of the City Code.

(8) No property shall be eligible for such exemption unless the appropriate building permits have been acquired and the City Assessor has verified that the rehabilitation or renovation indicated on the application has been completed.

(9) Multifamily commercial structures after rehabilitation or renovation is completed shall remain as such or may be used as single-family, condominium residences for the remainder of the exemption period.

(10) There shall be a non-refundable fee of \$125.00 for processing each residential application and \$250.00 for processing each multi-family, commercial, or industrial application under this section.

(11) The property must at all times be in compliance with all Lynchburg City Codes including, without limitation, the building code, the rental housing code, the zoning ordinance and all other codes that relate to real estate within the City of Lynchburg. Failure to correct the violation within the required time, as provided by the building inspector, will void the remainder of the exemption. If a structure is damaged or destroyed and found to be uninhabitable, the exemption will be terminated.

(12) No exemption shall be granted if access to the entire property is denied to the City Assessor's Office or the Inspections Division.

(13) All taxes must be paid and current to be eligible for an exemption. If the City Assessor is notified by the Billing and Collections Department that the property is more than 30 days delinquent on taxes, then the remainder of the exemption will be void.

(14) Only one rehabilitation or renovation exemption may be active for a parcel at any given time.

(15) Nothing in this section shall supersede any other City, State, or Federal code.

(f) Exemption to run with the land. The rehabilitated or renovated real estate tax exemption shall run with the land, and the owner of such property during the two-year construction period and/or each of the years of exemption shall be entitled to the amount of partial exemption.

(Ord. No. O-82-252, § 1, 12-14-82; Ord. No. O-84-274, § 1, 11-27-84, eff. 7-1-84; Ord. No. O-88-277, § 1, 10-11-88; Ord. No. O-93-331, 12-14-93; Ord. No. O-03-040, 2-25-03, eff. 4-1-03; Ord. No. O-08-075, 5-27-08; Ord. of 8-8-17, Ord. No. O-17-070, eff 1-1-18)

Sec. 36-177.1. - Exemption of real estate taxes for the renovation or replacement of damaged or destroyed structures.

(a) Damaged Properties: It is hereby declared to be the purpose of this section to authorize an exemption from real property taxes of real property for the replacement or renovation of residential, multi-family, commercial, or industrial structures that are damaged by a natural disaster, an act of God, or by other means in which the property owner or tenant is not found to have caused the damage through negligence or by willful action.

(1) For each residential, commercial, or industrial property that qualifies, the amount of the exemption from real property taxation shall be 50 percent of the assessed value of the replaced portion and the real estate tax exemption shall be effective for a period of ten years commencing on July 1 for any work completed during the preceding fiscal year. Further, the exemption shall be graduated twenty-five (25) percent for each of the final three years as outlined in Sec. 36-177(c).

(2) For each multi-family property that qualifies, the amount of the exemption from real property taxation shall be 50 percent of the assessed value of the replaced portion and the real estate tax exemption shall be effective for a period of eight years commencing on July 1 for any work completed during the preceding fiscal year. Further, the exemption shall be graduated twenty-five (25) percent for each of the final three years as outlined in Sec. 36-177(c).

(3) For renovated or replacement residential, multi-family, commercial, or industrial structure, the assessed fair market value of the renovated or replacement structure must be equal to at least 100 percent of the assessed fair market value of the structure prior to the damage or destruction.

(b) Revitalization Zone Exception: Existing residential, multifamily, commercial, or industrial requiring demolition due to functional obsolescence and/or providing minimal contributing value as renovated to be determined by the City Assessor is allowed within the City's Revitalization Zone as specified by City Council by ordinance.

(c) The exemption shall not apply when an existing structure is demolished or razed by a property owner or as a result of the property owner's neglect and a replacement structure is constructed, unless the assessed value of the existing structure that is demolished or razed is less than \$10,000.00 or as provided for by §36-177.1(b). The exemption shall not apply when the structure to be demolished or razed is a Virginia Registered Landmark, or is determined by the City's historic preservation commission to contribute to the significance of a registered historic district.

(d) Application fees will be in accordance with Sec. 36-177(e)(9).

(e) A Certificate of Occupancy on the completed structure must be issued by the City Inspections Division before any exemption will be authorized.

(f) Application fees and other requirements will be in accordance with Sec. 36-177(e)(8) through (15).

(g) The rehabilitated or renovated real estate tax exemption shall run with the land, and the owner of such property during the two-year construction period and/or each of the years of exemption shall be entitled to the amount of partial exemption.

(Ord. of 5-27-08, Ord. No. O-08-075); Ord. of 8-8-17, Ord. No. O-17-070, eff 1-1-18)