



**CITY OF ROANOKE**  
**OFFICE OF THE CITY MANAGER**

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May 14, 2007

Honorable C. Nelson Harris, Mayor  
 Honorable David B. Trinkle, Vice Mayor  
 Honorable Alfred T. Dowe, Jr. Council Member  
 Honorable Beverly T. Fitzpatrick, Jr. Council Member  
 Honorable Sherman P. Lea, Council Member  
 Honorable Gwendolyn W. Mason, Council Member  
 Honorable Brian J. Wishneff, Council Member

Subject: City Code Amendments  
 Establishing a Program for  
 Special Taxation of Certain  
 Energy-Efficient Buildings and  
 Setting a Special Tax Rate for  
 Such Buildings

Dear Mayor Harris and Members of City Council:

During the recently completed 2007 session of the General Assembly, energy-efficient buildings were declared to be considered a separate class of real property for the purposes of local taxation. The legislation allows for localities to establish a different rate of taxation for such buildings from that levied on other real property. The legislation also defines an energy-efficient building as that which exceeds the energy efficiency standards as contained in the Virginia Uniform Statewide Building Code by 30 percent in its entirety.

As a part of the Administration's ongoing efforts to encourage various forms of energy conservation in our City, it is desirable to establish such a special real property tax rate based on this enabling legislation. In order to establish such a special rate for this classification of buildings, an amendment to Article II, Real Estate Taxes Generally, Chapter 32, Taxation of the City Code is required. This amendment adds Division 9, Tax Rate for Certain Energy Efficient Buildings. The new division sets out the administration and procedures for the certification of energy-efficient buildings by a licensed engineer or contractor upon review and approval of such certification by the Department of

Planning Building and Economic Development. Upon such approval by the department, the certified energy-efficient building will then be assessed by the Department of Real Estate Valuation pursuant to this division, subject to the tax rate levy established by City Council. The special real property tax rate will be applied to the energy-efficient building for a term of five tax years. Adoption of this amendment would provide for the effective date of this program to be July 1, 2007.

By adoption of a separate ordinance, the City Council will set the special tax rate for energy-efficient buildings for the tax year commencing July 1, 2007. A reduction of approximately ten percent is recommended from the overall real property tax rate of one dollar and nineteen cents (\$1.19) which would set the special rate at one dollar and seven cents (\$1.07) on every one hundred dollars of the fair market value of buildings that qualify pursuant to Division 9 of Chapter 32 of the City Code.

Recommended Action:

Adopt the attached Ordinance which amends Article II Real Estate Taxes Generally, Chapter 32, Taxation of the City Code by the addition of Division 9, Tax Rate for Certain Energy Efficient Buildings. Also adopt the attached Ordinance which sets the special tax rate for energy-efficient buildings at \$1.07 per hundred dollars of the fair market value of qualifying building.

Respectfully submitted,



Darlene L. Burcham  
City Manager

DLB:rbt

- c: Stephanie M. Moon, City Clerk  
William M. Hackworth, City Attorney  
Jesse A. Hall, Director of Finance  
Susan S. Lower, Director of Real Estate Valuation  
R. Brian Townsend, Acting Asst. City Manager for Community Dev.

CM07-00071

WPH

IN THE COUNCIL OF THE CITY OF ROANOKE, VIRGINIA,

AN ORDINANCE amending Article 11, Real Estate Taxes Generally, Chapter 32, Taxation, of the Code of the City of Roanoke (1979), as amended, by the addition of a new Division 9, Tax Rate for Certain Energy-Efficient Buildings, consisting of §§32-103.20 through 32-103.27, in order to provide a special tax rate for certain energy-efficient buildings; providing for an effective date; and dispensing with the second reading by title paragraph of this ordinance.

BE IT ORDAINED by the Council of the City of Roanoke, as follows:

1. Article 11, Real Estate Taxes Generally, Chapter 32, Taxation, of the Code of the City of Roanoke (1979), is hereby amended by the addition of a new Division 9, Tax Rate for Certain Energy-Efficient Buildings, consisting of §§32-103.20 through 32-103.27, which shall read and provide as follows:

ARTICLE 11. REAL ESTATE TAXES GENERALLY

\* \* \*

*DIVISION 9.*

*TAX RATE FOR CERTAIN ENERGY-EFFICIENT BUILDINGS*

*§32-103.20. Definitions.*

*The following words, terms and phrases, when used in this division shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:*

*Energy-efficient building means any building that exceeds the energy efficiency standards prescribed in the Virginia Uniform Statewide Building Code by 30 percent.*

§32-103.21. *Granted.*

*Energy-efficient buildings, not including the real estate or land on which they are located, are hereby declared to be a separate class of property and constitute a classification for city taxation separate from other classifications of real property. Owners of real estate in the City on which energy-efficient buildings are or have been constructed shall pay such tax on such building at the rate levied by City Council for such class of property, which rate shall not exceed that applicable to the general class of real property, subject to the limitations and conditions prescribed by this division and by state law.*

§32-103.22. *Administration.*

*This division shall be administered by the director of the department of planning, building and economic development, the director of real estate valuation, commissioner of revenue, and the treasurer. Such officials are hereby authorized and directed to adopt and enforce such reasonable rules and regulations, not in conflict with the provisions of this division, as may be reasonably necessary to determine the value of an energy-efficient building and its eligibility for the special tax rate provided for by this division including, without limitation, requiring the production of documents and the furnishing of answers under oath.*

§32-103.23. *Requirements.*

*The special tax rate provided by this division shall be granted to applicants meeting the following requirements:*

*(1) The title to the property for which it is claimed is held, or partially held, by the person claiming the exemption.*

*(2) As required by Sec. 58.1-233.1, Code of Virginia, the applicant shall submit a certification that the building has been determined to be an energy-efficient building by a qualified licensed engineer or contractor who is not related to the applicant, which licensed engineer or contractor shall certify to the applicant that he or she has the qualifications to provide such certification.*

*§32-103.24. Application generally.*

*(a) The person claiming eligibility under this division must file an application with the department of planning, building and economic development on forms provided for that purpose.*

*(b) The application must be accompanied by the certification required by Sec. 32-103.22 (2).*

*§32-103.25. Approval and certification of application.*

*If after receipt of a completed application under this division and an inspection of the energy-efficient building, the department of planning, building and economic development determines that the eligibility requirements have been met, it shall approve and certify the application and transmit the same to the local assessing officer.*

*§32-103.26. Determination of value by local assessing officer.*

*Upon receipt of a certificate from the department of planning building and economic development pursuant to this division, the local assessing officer shall proceed to assess the property.*

*§32-103.27. Effective date and duration.*

*Eligibility for the special tax rate provided in this division shall be effective beginning the first day of the tax year next succeeding the certification of the department of planning building and economic development and shall remain in effect for such tax year and the following four (4) tax years.*

2. This ordinance shall take effect July 1, 2007.
3. Pursuant to §12 of the Roanoke City Charter, the second reading by title paragraph of this ordinance is hereby dispensed with.

ATTEST:

City Clerk.

WMM

IN THE COUNCIL OF THE CITY OF ROANOKE, VIRGINIA,

AN ORDINANCE amending §32-16, Levied; rate, Code of the City of Roanoke (1979), as amended, to provide for the real estate tax rate at a rate of \$1.19 on every one hundred dollars of fair market value and at a rate of \$1.07 for certain energy-efficient buildings; providing for an effective date; and dispensing with the second reading by title of this ordinance.

BE IT ORDAINED by the Council of the City of Roanoke as follows:

1. Section 32-16, Levied; rate, Code of the City of Roanoke (1979), as amended, is amended as follows:

§32-16. Levied; rate.

Pursuant to §2, subsection (1), Roanoke Charter of 1952, as amended, and pursuant to the provisions of the general law of the state, and in order to provide revenue for the operation and administration of the city government, the payment of principal and interest upon the city debt, the operation of the public schools, and for other municipal expenses and purposes, there is hereby imposed and levied, and there shall be collected, for the tax year commencing July 1, 2007, and for each tax year thereafter, a tax upon all real estate and improvements thereon not expressly exempt from taxation and not the property of a public service corporation, at the rate of one dollar and nineteen cents (\$1.19) on every one hundred dollars (\$100.00) of the fair market value of such property, *and at the rate ~~of one dollar and seven cents (\$1.07) on every one hundred dollars (\$100.00) of the fair market value of buildings that qualify for the special rate for certain energy-efficient buildings pursuant to Division 9, Tax Rate for Certain Energy-Efficient Buildings, of Chapter 32, Taxation, of this Code.~~*

2. This ordinance shall be in full force and effect on and after July 1, 2007.
3. Pursuant to Section 12 of the City Charter, the second reading of this ordinance by title is hereby dispensed with.

ATTEST:

City Clerk.