



810 Union Street, Room 402  
Norfolk, Virginia 23510  
(757) 664-4732

## **MEMORANDUM**

**TO: PARTICIPANTS/PARTIES INVOLVED IN THE TAX ABATEMENT PROGRAM**

**FROM: WILLIAM A. (PETE) RODDA, CAE, RES  
CITY ASSESSOR**

**DATE: DECEMBER 18, 2019**

**RE: CLARIFICATIONS REGARDING OWNERSHIP and COMMENCEMENT OF DEMOLITION OR  
RENOVATIONS PRIOR TO APPROVAL OF ABATEMENT PROJECT**

### **Ownership**

Section 24-203(b) and 24-203.1(b) of the City Code include the following statement: *“The application for tax abatement certification shall be signed by the owner under oath.”* This is more of a reminder than an actual change, but the Real Estate Assessor’s interpretation of this language is the application must be in the name of the owner of record and signed by the owner. The “owner of record” is the person or entity appearing on duly recorded documents of record. The term “owner” does not include builders or prospective owners. Just to be clear, a real estate closing is not recognized as a change of ownership until the instrument of ownership is recorded with the Clerk of Court. If the instrument has been recorded but not yet processed by the Clerk of Court, a copy of the recorded document depicting the recordation date, time and document number assigned by the Clerk of Court must be provided with the application. It is not appropriate to accept post-dated applications for prospective owners.

### **Commencement of Demolition and/or Renovations**

Sections 24-203(b) and 24-203.1(b) of the City Code include the following statement:

*“No renovation activities shall be considered for inclusion within the program unless such form (listing fully all work to be performed) is filed and approved by the assessor prior to commencement of renovation work.”*

Increasingly we are faced with participants/applicants who undertake demolition or renovation before applying for the abatement program *or* obtaining approval for participation in the abatement program. To address these issues, three changes are implemented effective immediately:

First, immediately upon the submission of a completed application (defined as completed application, fees paid, plans submitted, taxes paid) this office will visit the site and establish a base value of the property. Please note the Planning Department may not have approved project plans at this stage, but the plans must be submitted with the application.

Second, the value of any renovations started prior to submission or final approval of the abatement application will not be included in the abated value. In other words, the owner might start renovations before final approval, but the value of such renovations will be captured in the base (taxable) value. This is precisely what the City Code sets forth. Such excluded value will not count towards the 20% or 40% increase in value required by the program as well as taxes levied on the base value will likely be higher.

Third, Assessor's Office intends to establish a base value on the front end of the project. The Assessor's Office will also conduct a second site visit prior to final approval to ensure any demolitions and/or renovations conducted after the submission of the application but prior to the Assessor's approval are not included in the in the abated value.

Finally, if demolitions have been performed prior to submission or approval of the abatement application, this office will establish the base value on our best estimate of the condition of the improvements prior to demolition. This value may be the same as determined on our initial review of the property. The intent is to address the potential of pre-application demolitions lowering the base value, thereby increasing the abated value.

The City Code does not expressly provide that no work may commence prior to approval. But the Code does expressly provide this work will not be considered for inclusion in the project. The owner should carefully consider the financial impact of starting demolitions or renovations prior to submission or the approval of the project.