

## Local Government Tax Abatement Programs

### **Chesterfield County**

Chesterfield County provides a partial tax exemption for the rehabilitation, renovation or replacement of older residential properties. Upon approval, the partial exemption will be in effect for 8 years and transfers with the real estate. The amount of the exemption is based solely on the increase in assessed value and does not change over the 8-year period.

The program is available to property owners who rehabilitate residential buildings meeting the following criteria:

- The property must be lawfully used for residential purposes.
- Residential structures must be no less than 25 years of age; or
- Structures between 15 and 25 years of age may qualify if the real estate assessment reflects an above normal (10 percent or greater) physical depreciation.
- The rehabilitation, renovation or replacement must increase the assessed value by more than 10 percent.
- For multifamily residences, the rehabilitation, renovation or replacement must not increase the total square footage of the structure being rehabilitated by more than 30 percent.
- For residential structures other than multifamily, the exemption shall apply only to the first 200 percent of any increase in square footage due to replacement or rehabilitation.
- Landscaping, driveways, fencing, or other detached improvements do not qualify under this program.

For more information or to download an application:

<http://www.chesterfield.gov/content.aspx?id=2424>.

### **City of Richmond**

The City of Richmond allows for a partial exemption from real estate taxes for qualifying rehabilitated and replaced structures. For those properties that qualify, the increase in market value caused by rehabilitation/replacement will be credited from taxable assessment for up to ten years.

Property Rehabilitation Details:

#### *SINGLE FAMILY RESIDENTIAL (1-4 units)*

- The property shall be no less than twenty (20) years old.
- Rehabilitation must increase the initial value of the structure by a minimum of 20%.
- Appropriate permits must have been acquired from the Department of Community Development (Room 110) at the time of application.
- Rehabilitated or replaced structure must meet zoning requirements.

*MULTI-FAMILY RESIDENTIAL (five units or more)*

- The property shall be no less than twenty (20) years old.
- Rehabilitation must increase the initial value of the structure by a minimum of 40%.
- Appropriate permits must have been acquired from the Department of Community Development (Room 110) at the time of application.
- The replacing structure cannot exceed the square footage by more than (30%).
- Rehabilitated or replaced structure must meet zoning requirements.

*COMMERCIAL OR INDUSTRIAL (outside of the Enterprise Zone)*

- The property shall be no less than (20) years old.
- Rehabilitation must increase the initial value of the structure by a minimum of 40%.
- Appropriate permits must have been acquired from the Department of Community Development (Room 110) at the time of application.
- The replacing structure cannot exceed the square footage of the replaced structure by more than 110%.

*COMMERCIAL OR INDUSTRIAL (in the Enterprise Zone)*

- The property shall be no less than (20) years old.
- Rehabilitation must increase the initial value of the structure by a minimum of 40%.
- Appropriate permits must have been acquired from the Department of Community Development (Room 110) at the time of application for Tax Rehabilitation.
- Rehabilitated or replaced structure must meet zoning requirements.
- The replacing structure cannot exceed the square footage of the replaced structure by more than 110%.

To apply: <http://www.richmondgov.com/Assessor/Forms.aspx#Rehab>.

**Hanover County**

Hanover County provides a tax exemption program for certain rehabilitated residential, industrial and commercial real estate. The purpose of the program is to encourage and provide incentives to Hanover County property owners to invest in improvements to existing structures. The tax exemption incentives are available for residential, commercial and industrial use properties.

In order to qualify for the tax exemptions the structure to be rehabilitated must be a minimum of twenty-five years of age. In addition the assessed value of the rehabilitated structure must increase no less than 30% and any increase in total square footage must not exceed 35% for residential or 50% for industrial or commercial. Improvements such as freestanding, independent structures or those connected to an exiting structure by an atrium, breezeway or similar connecting element are not eligible.

To apply, contact the Hanover County Commissioner of the Revenue at 804-365-6129

**Henrico County**

Henrico County provides for partial real estate tax exemption for qualifying rehabilitated Multi-Family, Commercial/Industrial, and Hotel/Motel structures. As authorized by state law, the Henrico County Board of Supervisors adopted a tax abatement incentive to improve and maintain the quality of these property classes in the County. The Real Estate Assessment Division of the Department of Finance is the administering agency of this program.

For more information: <http://henrico.us/pdfs/finance/pdfs/residentialrehab.pdf>.

To apply: <http://henrico.us/pdfs/finance/pdfs/ResidentialRehabApplicationSept2014.pdf>