



## Legislation Text

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**File #:** 24-0169, **Version:** 1

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Ordinance to Amend the City Code of the City of Hampton, Virginia by Amending and Reenacting Chapter 37, "Taxation;" Article II, "Real Estate Taxes;" Division 7, "Special Assessments for Local Improvements," Section 37-140, "Elizabeth Lake Estates Service District"

### **PURPOSE/BACKGROUND:**

See Discussion.

### **Discussion:**

Elizabeth Lake Estates is a housing development within the City of Hampton. The community has several large common areas that border major thoroughfares within the City and are accessible to the public. The community was founded as a "covenant community" in 1962, with those common areas owned by the Elizabeth Lake Estates Civic Association (the "Association"). In early 2000, members of the Association approached the City about the possibility of creating a special taxing district that would operate similarly to the Coliseum Central and Downtown Business Improvement District. After the Association sought and obtained the support of the community, the then City Council, believing there was overwhelming support for the initiative and that the entire city would benefit, enacted Hampton City Code Section 37-140, creating the Elizabeth Lake Estates Service District, and imposed a tax and to provide a uniform and comprehensive method for collection of funds to provide services which generally enhance the public use and enjoyment of the area and the public safety, public convenience and public well-being within the service district. The benefits expected within the district are to provide a centralized system for addressing common issues; promote a positive image of Hampton as a desirable and outstanding place to live, protect the waterfront to maintain its viability, improve the security of the neighborhood and residents and, protect and increase property values generally.

The Association has been the recipient of the funds generated by this tax since its enactment. By ordinance, the Association is required to annually submit a report to city council detailing the use of service district funds which council shall review and evaluate, as well as Annual Financial Statements, audited by a licensed certified public accountant, (the auditor), including the auditor's report on compliance with this section as to use and purpose of revenues, expenditures, assets, liability and residual fund balance resulting from monies provided under this ordinance; and, the auditor's report on internal controls over financial reporting and bookkeeping.

The annual tax rate imposed since the enactment has been \$0.06 per \$100 of assessed value. The Association currently reports that revenues are insufficient to meet the rising costs of goods and services and aging infrastructure, and is requesting that the tax rate be increased to \$0.10 per \$100 of assessed value. The Association projects this added funding will be used to maintain common areas, conduct deferred grounds and pool maintenance, as well as to make certain upgrades to the common areas and waterways.

**Impact:**

The increased funding will benefit Elizabeth Lake Estates, as well as the general public who are able to take advantage of walking paths, scenic vistas, the pool and other common areas maintained by the Association. The requested increase would generate approximately \$44,116 annually. The total projected tax revenue for Fiscal Year 2025 is \$110,290.

**Recommendation:**

May 1, 2024: First Reading; No Action.  
May 8, 2024: Second Reading. Vote.

**BE IT ORDAINED** by the City Council of the City of Hampton, Virginia, that Chapter 37, Article II, Division 7, Section 37-140(5) of the City Code of the City of Hampton, Virginia be amended and restated to read as follows:

**Chapter 37 - TAXATION**

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**ARTICLE II. - REAL ESTATE TAXES**

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**DIVISION 7. - SPECIAL ASSESSMENTS FOR LOCAL IMPROVEMENTS**

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**Sec. 37-140. Elizabeth Lake Estates Service District.**

Pursuant to the Code of Virginia, § 15.2-2400, the Elizabeth Lake Estates Service District is hereby created.

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(5) Tax imposed. There is hereby imposed a tax of ten cents (\$0.10) per one hundred dollars (\$100.00) of assessed value of real property located in the above-described Elizabeth Lake Estates Service District, which tax shall be in addition to all other taxes and fees as may be imposed by law. This tax rate shall become effective July 1, 2024 and shall continue through June 30, 2025, and thereafter unless modified by council. In each fiscal year, council shall annually consider the tax rate to be imposed as a part of the regular budget process. The tax shall be due and payable in two (2) equal installments as follows: one-half (½) on or before December 5 and one-half (½) on or before June 5.

This ordinance shall be effective and the charges applied to billings made by the City Treasurer on and after July 1, 2024.