

INTRODUCED: August 25, 2025

AN ORDINANCE No. 2025-188

To amend Ord. No. 2025-057, adopted May 12, 2025, which adopted the Fiscal Year 2025-2026 Special Fund Budget and made appropriations thereto, by transferring \$5,800,000.00 from the “Delinquent Tax Sales” special fund, and to amend Ord. No. 2025-057, adopted May 12, 2025, which adopted the Fiscal Year 2025-2026 General Fund Budget, by (i) creating a new line item in the Outside Agencies and Central Appropriations agency called “Restitution Payments,” and (ii) appropriating such transferred funds to such new line item in the Outside Agencies and Central Appropriations agency for the purpose of providing funding for a restitution payment pursuant to Va. Code § 8.01-195.13.

Patron – Mayor Avula

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: SEP 8 2025 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Article I, Section 2 of Ordinance No. 2025-057, adopted May 12, 2025, which adopted a Special Fund Budget for the fiscal year commencing July 1, 2025, and ending June 30, 2026, and made appropriations pursuant thereto, is hereby amended by transferring funds in the amount of \$5,800,000.00 from the “Delinquent Tax Sales” special fund for the purpose of providing funding for a restitution payment pursuant to Va. Code § 8.01-195.13.

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

§ 2. That Article I, Section 1 of Ordinance No. 2025-057, adopted May 12, 2025, which adopted a General Fund Budget for the fiscal year commencing July 1, 2025, and ending June 30, 2026, and made appropriations pursuant thereto, is hereby amended by (i) creating a new line item in the Outside Agencies and Central Appropriations agency called “Restitution Payments” and (ii) appropriating the funds in the amount of \$5,800,000.00 transferred by section 1 of this ordinance to such new line item in the Outside Agencies and Central Appropriations agency for the purpose of providing funding for a restitution payment pursuant to Va. Code § 8.01-195.13.

§ 3. This ordinance shall be in force and effect upon adoption.

City of Richmond

Intracity Correspondence

O&R Transmittal

DATE: August 21, 2025

EDITION: 2

TO: The Honorable Members of City Council

THROUGH: The Honorable Dr. Danny Avula, Mayor

THROUGH: Odie Donald, II, Chief Administrative Officer

THROUGH: Tanikia S. Jackson, Deputy Chief Administrative Officer for Finance & Administration

THROUGH: Letitia L. Shelton, Director of Finance

FROM: Meghan Brown, Director of Budget & Strategic Planning

RE: Allocation of Funds Related to Wrongful Conviction Restitution

ORD. OR RES. No. _____

PURPOSE: To authorize the transfer of \$5,800,00 in city funds from the Delinquent Tax Sale Special Fund and to amend Ord. 2025-057, which adopted the FY 2026 General Fund Budget, to increase revenue and to appropriate such transferred funds to a new line item in Central Appropriations titled “Restitution Payments” to satisfy local matching requirements under Virginia Code §8.01-195.13., consistent with state-imposed compensation due in connection with a wrongful conviction. The ordinance will provide legal authority for transferring these funds in compliance with recently enacted General Assembly mandates and prevent potential withholding of state aid.

BACKGROUND: Under legislation adopted by the Virginia General Assembly in 2025 (effective July 1, 2025), local governments are required to provide matching restitution when state compensation is awarded to individuals exonerated based on misconduct involving local officials—for example, intentional evidence fabrication or coercive practices. The Commonwealth

has disbursed approximately **\$5.8 million** in state compensation to the individual in question. Because local wrongdoing contributed to the wrongful conviction, the city is now statutorily obliged to match that amount to avoid sanctions under §8.01-195.13.

COMMUNITY ENGAGEMENT: N/A

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: N/A

FISCAL IMPACT: The FY26 General Fund Budget will be amended by reappropriating \$5,800,000 in delinquent tax sale funds to a new line item in Central Appropriations to make restitution payments as required by Virginia Code §8.01-195.13.

Failure to remit the required restitution in accordance with Virginia Code §8.01-195.13 may result in the Commonwealth withholding other state aid to the City.

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: August 25, 2025

CITY COUNCIL PUBLIC HEARING DATE: September 2, 2025 or September 8, 2025

REQUESTED AGENDA: Consent Agenda

RECOMMENDED COUNCIL COMMITTEE: Committee Waiver Requested or Organizational Development Standing Committee (September 2, 2025)

AFFECTED AGENCIES: The Department of Finance; The Department of Budget and Strategic Planning, and Central Appropriation; the City Attorney's Office

RELATIONSHIP TO EXISTING ORD. OR RES.: Ord. 2025-057

ATTACHMENTS: None

STAFF: Meghan Brown, Director of Budget and Strategic Planning