

INTRODUCED: May 23, 2022

AN ORDINANCE No. 2022-156

To extend the due date for tangible personal property and machinery and tools taxes from Jun. 6, 2022, to Aug. 5, 2022, for the tax year commencing Jan. 1, 2022.

Patrons – Mayor Stoney and All Members of Council

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAY 31 2022 AT 2 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That, notwithstanding the provisions of sections 26-430(a), 26-430(b), 26-431, and 26-459(e) of the Code of the City of Richmond (2020), as amended, for the tax year beginning January 1, 2022, only, the taxes levied on all tangible personal property and machinery and tools pursuant to sections 26-458 and 26-460 of the Code of the City of Richmond (2020), as amended, shall be due on or before August 5, 2022. If any payment is not made in full when due, there shall be added to the entire tax or to any unpaid balance of the tax, whichever is applicable, a penalty as provided in section 26-430 of the Code of the City of Richmond (2020), as amended, and interest

AYES: 8 NOES: 0 ABSTAIN: _____

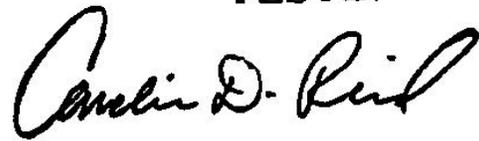
ADOPTED: May 31 2022 REJECTED: _____ STRICKEN: _____

as provided in section 26-431 of the Code of the City of Richmond (2020), as amended.

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

A TRUE COPY:

TESTE:

A handwritten signature in black ink, appearing to read "Camille D. Reil". The signature is written in a cursive, flowing style.

City Clerk



City of Richmond

Intracity Correspondence

O&R REQUEST

DATE: 05/17/2022 **EDITION:** 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

THROUGH: Sabrina Joy-Hogg, Deputy Chief Administrative Officer

Sabrina Joy-Hogg (May 18, 2022 09:18 EDT)

THROUGH: Jason May, Director of Budget & Strategic Planning

Jason May (May 18, 2022 09:17 EDT)

FROM: Sheila White, Director of Finance

Sheila White (May 18, 2022 09:11 EDT)

RE: Tangible Personal Property and Machinery and Tools Taxes 2022 Due Date

ORD. OR RES. No. _____

PURPOSE: To change the due date for tangible personal property and machinery and tools taxes from June 6, 2022 to August 5 for the 2022 tax year.

REASON: This proposed ordinance is needed in order to provide Richmond taxpayers with additional time to pay their personal property and machinery and tools taxes and avoid the additional financial burden of penalties and interest incurred by late payment.

RECOMMENDATION: The City Administration recommends adoption of this resolution.

BACKGROUND: The ongoing impacts of the COVID-19 have increased valuations of vehicles. A combination of supply chain disruptions, historically low interest rates, and large fleet vehicle companies foregoing replacement of inventory has constrained the supply of both new and used vehicles. This scarcity has led to an increase in values. Increases in the valuations, specifically by the North American Dealership Association (NADA) which Richmond uses to determine personal property taxes, have resulted in higher personal property taxes for the 2022 tax year than previously anticipated.

As a result of increased taxes, the Administration submitted and City Council passed Res. No. 2022-R024 which froze the personal property tax relief rate to the previous year's value. This

resolution is anticipated to provide more than \$8.0 million in personal property tax relief in addition to what the Commonwealth provides on an annual basis. However, the Administration wishes to do more to assist taxpayers in the current environment.

Richmond is not unique in this, locality governments and taxpayers across the state are facing impacts due to recent increases to valuations. A strategy which some central Virginia localities are weighing is delaying the due date for said taxes. This will create additional time for taxpayers to pay their bill on time and avoid the penalty and interest that would be incurred by missing the original deadline. As such, the Administration proposes changing the due date to August 5 in order to assist taxpayers to avoid incurring additional expenses as a result of late payment.

FISCAL IMPACT / COST: N/A

FISCAL IMPLICATIONS: N/A

BUDGET AMENDMENT NECESSARY: N/A

REVENUE TO CITY: N/A

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: 05/23/2022

CITY COUNCIL PUBLIC HEARING DATE: 05/31/2022

REQUESTED AGENDA: Regular

RECOMMENDED COUNCIL COMMITTEE: Governmental Operations Standing Committee – 05/25/2022

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: Department of Finance

RELATIONSHIP TO EXISTING ORD. OR RES.: Res. 2022-R024

REQUIRED CHANGES TO WORK PROGRAM(S): The Department of Finance's year end closing process for revenues will be slightly modified as a result of the proposed change in due date.

ATTACHMENTS: N/A

STAFF: Sheila White, Director of Finance