

INTRODUCED: June 10, 2024

A RESOLUTION No. 2024-R018

To provide that the Department of Finance may enter into an agreement with any taxpayer who has been assessed with omitted taxes, including penalties and interest with respect to such taxes for the payment of the taxes, penalties, and interest so assessed over a period that is reasonable under the circumstances but that in no event shall exceed 72 months.

Patrons – Mayor Stoney, Vice President Lambert and Ms. Robertson

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JUNE 24 2024 at 6 P.M.

WHEREAS, pursuant to Chapter 488 of the 2024 Virginia Acts of Assembly, the General Assembly of Virginia amended section 58.1-3916 of the Code of Virginia (1950), as amended, to authorize local governing bodies to provide by resolution that the treasurer or other officer responsible for the collection of taxes may enter into an agreement with any taxpayer who has been assessed with omitted taxes, including penalties and interest with respect to such taxes, pursuant to section 58.1-3903 or 58.1-3904 of the Code of Virginia (1950), as amended, for the payment of the taxes, penalties, and interest so assessed over a period that is reasonable under the circumstances but that in no event shall exceed 72 months; and

AYES: 7 NOES: 0 ABSTAIN: _____

ADOPTED: JUN 24 2024 REJECTED: _____ STRICKEN: _____

WHEREAS, the Council believes it is in the best interest of the citizens and businesses of the City of Richmond that the Council support the offering of delinquent payment arrangements on and after the effective date of Chapter 488 of the 2024 Virginia Acts of Assembly;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That the Council hereby provides that the Director of Finance may enter into an agreement with any taxpayer who has been assessed with omitted taxes, including penalties and interest with respect to such taxes, pursuant to section 58.1-3903 or 58.1-3904 of the Code of Virginia (1950), as amended, for the payment of the taxes, penalties, and interest so assessed over a period that is reasonable under the circumstances but that in no event shall exceed 72 months.

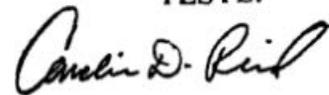
BE IT FURTHER RESOLVED:

That any such agreement shall provide for the payment of current tax obligations as they come due, which payments shall be credited to current tax obligations notwithstanding the provisions of section 58.1-3913 of the Code of Virginia (1950), as amended, and shall be secured by the lien of the City pursuant to section 58.1-3340 of the Code of Virginia (1950), as amended.

APPROVED AS TO FORM:

CITY ATTORNEY'S OFFICE

A TRUE COPY:
TESTE:



City Clerk



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Master

File Number: Admin-2024-0518

File ID: Admin-2024-0518

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

Reference:

In Control: City Clerk Waiting Room

Department:

Cost:

File Created: 05/22/2024

Subject:

Final Action:

Title:

Internal Notes:

Code Sections:

Agenda Date: 06/10/2024

Indexes:

Agenda Number:

Patron(s):

Enactment Date:

Attachments: Admin-2024-0518: WD - Tax Payment Arrangement - AATF

Enactment Number:

Contact:

Introduction Date:

Drafter:

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	5/23/2024	Sheila White	Approve	5/24/2024
1	2	5/24/2024	Sabrina Joy-Hogg	Approve	5/27/2024
1	3	5/30/2024	Lincoln Saunders	Approve	5/28/2024
1	4	5/31/2024	Mayor Stoney	Approve	6/4/2024

History of Legislative File

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File Admin-2024-0518

O&R REQUEST

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DATE: Wednesday, April 24, 2024

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 - Finance and Administration Portfolio

FROM: Sheila White, Director of Finance

RE: Resolution to Continue Offering Delinquent Tax Payment Arrangements

ORD. OR RES. No.

PURPOSE:

To provide by resolution that the Department of Finance may enter into an agreement with any taxpayer who has been assessed with omitted taxes, including penalties and interest with respect to such taxes for the payment of the taxes, penalties, and interest so assessed over a period that is reasonable under the circumstances but that in no event shall exceed 72 months.

BACKGROUND:

The City of Richmond’s Department of Finance has historically provided the option to taxpayers for delinquent taxpayers in the form of Delinquent Tax Payment Arrangements (“Arrangements”). The Department previously referred to Code of Virginia § 58.1-3965. C. which governs payment arrangements specific to the delinquent tax sale process for its Arrangements.

Prior to the recent adoption of HB 1503 there were not clear requirements for offering Arrangements outside of the tax sale process. However, HB 1503 states, “The governing body may further provide by resolution that the treasurer or other officer responsible for the collection of taxes may enter into an agreement with *any* taxpayer who has been assessed with omitted taxes [...]” Emphasis has been added to any.

In early 2024, the Department of Finance amended their Payment Arrangement Policy to reflect the changes of HB 2110, which increased the maximum length of agreements for tax sale arrangements under Code of Virginia § 58.1-3965. C. from 60 to 72 months. The Department of Finance also included the following changes to their Arrangements:

- No required down payment for vehicle personal property and real estate taxes;

- A reduction to ten percent down payment requirement for other tax types;
- The ability to miss up to one payment without default;

HB 1503 now requires that City Council provide by resolution the authority for the Department of Finance to continue offering Arrangements beyond July 1, 2024. These Arrangements have recently been enhanced and the Department of Finance looks forward to continuing to offer Arrangements should City Council make such resolution as required by HB 1503.

COMMUNITY ENGAGEMENT:

N/A

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL:

N/A

FISCAL IMPACT:

N/A

DESIRED EFFECTIVE DATE:

Upon Adoption

REQUESTED INTRODUCTION DATE:

Monday, June 10, 2024 City Council Meeting

CITY COUNCIL PUBLIC HEARING DATE:

Monday, June 24, 2024 City Council Meeting

REQUESTED AGENDA:

Consent

RECOMMENDED COUNCIL COMMITTEE:

Thursday, June 20, 2024 Finance and Economic Development Standing Committee

AFFECTED AGENCIES:

Department of Finance

RELATIONSHIP TO EXISTING ORD. OR RES.:

N/A

ATTACHMENTS:

N/A

STAFF:

Asia Spratley, Department of Finance - Program and Operations Manager, Treasury
John Leybold, Department of Finance - Revenue Manager, Delinquent Collections