

INTRODUCED: June 10, 2024

AN ORDINANCE No. 2024-167

To amend and reordain City Code § 12-22, concerning the authority to accept payment by commercially acceptable means and service charge, to permit City agencies the option to remove currently mandated services charges for the payment of any amount due for taxes, interest, penalties, fees, fines, or other charges for the public.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

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

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That section 12-22 of the Code of the City of Richmond (2020) is hereby **amended** and reordained as follows:

Sec. 12-22. Authority to accept payment by commercially acceptable means; service charge.

(a) Pursuant to Code of Virginia, § 2.2-614.1(A), the City may accept payment of any amount due for taxes, interest, penalties, fees, fines, or other charges by any commercially acceptable means, including, but not limited to, checks, credit cards, debit cards, and electronic funds transfers.

(b) Pursuant to Code of Virginia, § 2.2-614.1(B), the City [~~shall~~] may add to any

AYES: 7 NOES: 0 ABSTAIN: _____

ADOPTED: JUN 24 2024 REJECTED: _____ STRICKEN: _____

amount due a sum, not to exceed the amount charged to the City for acceptance of any payment by a means that incurs a charge to the City or the amount negotiated and agreed to in a contract with the City, whichever is less.

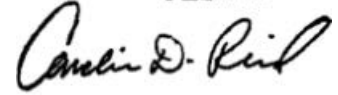
§ 2. This ordinance shall be in force and effect upon adoption

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-2024-0596

File ID: Admin-2024-0596

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

Reference:

In Control: City Clerk Waiting Room

Department:

Cost:

File Created: 06/07/2024

Subject:

Final Action:

Title:

Internal Notes:

Code Sections:

Agenda Date: 06/10/2024

Indexes:

Agenda Number:

Patron(s):

Enactment Date:

Attachments: Admin-2024-0596: WD - Amend Code - Sec. 12-22 Service Charges AATF

Enactment Number:

Contact:

Introduction Date:

Drafter:

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	6/7/2024	Sheila White	Approve	6/10/2024
1	2	6/7/2024	Meghan Brown	Approve	6/10/2024
1	3	6/7/2024	Sabrina Joy-Hogg	Approve	6/10/2024
1	4	6/7/2024	Jeff Gray	Approve	6/10/2024
1	5	6/7/2024	Lincoln Saunders	Approve	6/10/2024
1	6	6/7/2024	Mayor Stoney	Approve	6/10/2024

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File Admin-2024-0596

City of Richmond

Intracity Correspondence

RECEIVED
By City Attorney at 7:48 am, Jun 10, 2024

O&R Transmittal

DATE: Tuesday, May 14, 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

THROUGH: Meghan Brown, Interim Director of Budget and Strategic Planning

FROM: Sheila White, Director of Finance

RE: Optional Removal of Commercial Service Charges

ORD. OR RES. No.

PURPOSE:

To amend and reordain City Code § 12-22. - Authority to accept payment by commercially acceptable means; service charge. to permit City agencies the option to remove currently mandated services charges for the payment of any amount due for taxes, interest, penalties, fees, fines, or other charges for the public.

BACKGROUND:

City Code § 12-22. - Authority to accept payment by commercially acceptable means; service charge. subsection (b) currently reads, “[...] the City *shall* add to any amount due a sum, not to exceed the amount charged to the City for acceptance of any payment by a means that incurs a charge to the City or the amount negotiated and agreed to in a contract with the City, whichever is less.” Emphasis added on shall, as it is currently a requirement that all City agencies pass service charges to the payor.

This O&R Request is to legislatively strike the previously emphasized “shall” and replace it with a less restrictive “may”. This will provide City agencies, namely the Department of Finance, selective discretion to pass on service charges to those making payments or instead pay the cost of service charges out of the General Fund. There are a wide variety of service charges, not all of which it may be ideal for the City to foot the cost for. For example, this legislative change would

allow the Department of Finance to pass through the cost of Non-Sufficient Funds (NSF) charges to taxpayers but cover the cost for flat fees for ACH processing.

Allowing City agencies to cover certain costs will potentially lead to efficiencies citywide. Under current legislative requirements for service fees many taxpayers choose to pay cash in person to avoid said fees. This creates additional staff and operational costs to process cash transactions by hand as opposed to more automated online options which streamline operations.

The Department of Finance is proposing this legislative change as a result of the Chief Administrative Officer's vision of a modernized Revenue Administration Division. As the Department of Finance monitors changes in taxpayer behavior, there may be additional funding needs in future fiscal years.

COMMUNITY ENGAGEMENT:

The Department of Finance will update all online payment information to reflect changes implemented as a result in a phased approach should Council approve the proposed ordinance and additionally provide inserts to regular billings announcing the change.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL:

N/A

FISCAL IMPACT:

Dependent on Citywide Agency implementation

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:

Regular

RECOMMENDED COUNCIL COMMITTEE:

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

AFFECTED AGENCIES:

Citywide

RELATIONSHIP TO EXISTING ORD. OR RES.:

N/A

ATTACHMENTS:

N/A

STAFF:

Jeffrey Crawford, Program and Operations Manager - Department of Finance x3056