AN ORDINANCE No. 2024-024

To repeal City Code § 26-3, concerning application of payments and to amend ch. 26, art. I, of the City Code by adding therein a new section numbered 26-3.1, concerning application of payments, all for the purpose of clarifying the application of tax payments.

––––––––––––––––––

Patrons – President Nye, Mayor Stoney, Mr. Addison, Ms. Robertson, Ms. Newbille, Ms. Lynch, Ms. Trammell, Vice President Lambert, Ms. Jordan and Ms. Jones

––––––––––––––––––

Approved as to form and legality
by the City Attorney

––––––––––––––––––

PUBLIC HEARING: FEB 12 2024 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That section 26-3 of the Code of the City of Richmond (2020), as amended,

be and is hereby **repealed** as follows:

[~~Sec. 26-3. Application of payments.~~

~~The Director of Finance shall not be required to credit all payments of local levies first against~~

~~the most delinquent account and may instead credit such payments, to the extent permitted by law,~~

AYES:	7	NOES:	0	ABSTAIN:	

ADOPTED:	FEB 12 2024	REJECTED:		STRICKEN:	

~~in the manner deemed appropriate where the taxpayer has entered into a bona fide payment~~ ~~agreement with the City.~~]

§ 2.   That Chapter 26, Article I, of the Code of the City of Richmond (2020) be and is hereby amended and reordained by **adding therein a new section** numbered 26-3.1 as follows:
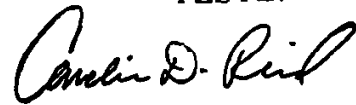
Sec. 26-3.1. Application of payments.

The Collector shall credit payments of local levies to the currently due liability for the tax type that was paid. If there are additional funds available from the payments after the currently due liability is satisfied, the Collector shall credit them to the most delinquent local account, the collection of which is not subject to a defense of an applicable statute of limitations.

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

A TRUE COPY:
TESTE:

Camelia D. Reid

City Clerk

Richmond City Council
The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Ordinance/Resolution Request

TO	**Laura Drewry, City Attorney**
FROM	LaTesha Holmes, Council Chief of Staff Office of the Council Chief of Staff
COPY	Kristen Nye, President, 4th District Councilmember Tabrica Rentz, Deputy City Attorney Timmy Siverd, 4th District Liaison
DATE	January 18, 2023
PAGE/s	1 of 2
TITLE	Ordinance to repeal City Code § 26.3, concerning application of payments and to amend ch. 26, art. I, of the City Code by adding therein a new section numbered 26-3.1, concerning application of payments, all for the purpose of clarifying the application of tax payments.

This is a request for the drafting of an   **Ordinance** ☒   **Resolution** ☐

REQUESTING COUNCILMEMBER/PATRON

President Kristen Nye and Mayor Levar Stoney

SUGGESTED STANDING COMMITTEE

Expedited Consideration

ORDINANCE/RESOLUTION SUMMARY

To repeal City Code § 26.3, concerning application of payments and to amend ch. 26, art. I, of the City Code by adding therein a new section numbered 26-3.1, concerning application of payments, all for the purpose of clarifying the application of tax payments.

BACKGROUND

This request is to amend City Code to apply payments to the current month, rather than the most delinquent account.

Va. Code 58.1-3913 requires the Director of Finance to credit payments to the most delinquent local account still within the statute of limitations "unless otherwise provided by ordinance of the governing body." Finance has been following State Code in their application of payments. However, this language allows the City of Richmond to update City Code 26-3 to provide for payments to be applied to the current month.

This ordinance repeals City Code § 26.3, concerning application of payments and to amend ch. 26, art. I, of the City Code by adding therein a new section numbered 26-3.1, concerning application of payments, all for the purpose of clarifying the application of tax payments. The requested introduction and expedited date for consideration is January 22, 2024.

FISCAL IMPACT STATEMENT

Fiscal Impact	Yes ☐ No ☒
Budget Amendment Required	Yes ☐ No ☒
Estimated Cost or Revenue Impact	$ TBD

Attachment/s   **Yes** ☐   **No** ☒