

EXHIBIT NO. 1

14
6-12-01

MEMORANDUM

TO: THE HONORABLE MAYOR AND
MEMBERS OF CITY COUNCIL

FROM: IGNACIO B. PESSOA *IBP*
CITY ATTORNEY

STEVEN L. ROSENBERG *S.L.R.*
ASSISTANT CITY ATTORNEY

DATE: MAY 7, 2001

SUBJECT: PROPOSED ORDINANCE CHANGING THE RATE CHARGED BY THE
CITY FOR DELINQUENT TAXES LEVIED ON TANGIBLE PERSONAL
PROPERTY, MACHINERY AND TOOLS, MOBILE HOMES, MOTOR
VEHICLES, AND BOATS AND TRAILERS

Issue: Consideration of an ordinance changing the rate charged by the city for delinquent taxes levied on tangible personal property, machinery and tools, mobile homes, motor vehicles, and boats and trailers, from 10 percent per annum to 10 percent annum for the first year and five percent per annum for each subsequent year.

Recommendation: That council pass the proposed ordinance on first reading, and set the ordinance for public hearing, second reading and final passage on June 16, 2001.

Discussion: The proposed ordinance corrects an error in the codification of an ordinance previously adopted by city council. In 1999, city council, in accordance with amendments to the state code, adopted Ordinance No. 4058, which provided that, in the event of an erroneous tax assessment by the city, a refund to a taxpayer must include interest on the amount of the overpayment, at the rate charged by the city for delinquent taxes. To avoid the accrual of substantial interest on amounts to be refunded by the city, Ordinance No. 4058 further changed the rate charged by the city for delinquent taxes (and therefore interest on amounts to be refunded by the city) from 10 percent per annum to 10 percent annum for the first year and five percent per annum for each subsequent year.

One section of the city code so amended by Ordinance No. 4058 was § 3-2-230, which imposes penalties and interest on delinquent taxes levied on tangible personal property, machinery and tools, mobile homes, motor vehicles, and boats and trailers. Due to an intervening amendment to § 3-2-230, prior to the codification of Ordinance No. 4058 (Ordinance No. 4069 adopted September 18, 1999), that section was codified without the change in the interest rate adopted by city council in Ordinance No. 4058. The proposed ordinance corrects § 3-2-230, to impose the changed interest rate, as originally contemplated in Ordinance No. 4058.

Attachments

cc: Philip Sunderland
City Manager

Michele Evans
Assistant City Manager

Mark Jinks
Assistant City Manager

Daniel A. Neckel
Director of Finance

EXHIBIT NO. 2

14
6-12-01

Introduction and first reading:	6/12/01
Public hearing:	6/16/01
Second reading and enactment:	6/16/01

INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE to amend and reordain Section 3-2-230 (WHEN TAXES DUE, DELINQUENT TAXES; PENALTY) of Division 3 (TANGIBLE PERSONAL PROPERTY AND MACHINERY AND TOOLS), of Article M (LEVY AND COLLECTION OF PROPERTY TAXES), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended.

Summary

The proposed ordinance changes the rate charged by the city for delinquent taxes levied on tangible personal property, machinery and tools, mobile homes, motor vehicles, and boats and trailers, from 10 percent per annum to 10 percent annum for the first year and five percent per annum for each subsequent year.

Sponsor

Staff

Daniel A. Neckel, Director of Finance
Steven L. Rosenberg, Assistant City Attorney

Authority

§ 58.1-3916, Code of Virginia (1950), as amended

Estimated Costs of Implementation

None

Attachments in Addition to Proposed Ordinance

None

EXHIBIT NO. 3

14
6-12-01

ORDINANCE NO. _____

AN ORDINANCE to amend and reordain Section 3-2-230 (WHEN TAXES DUE, DELINQUENT TAXES; PENALTY) of Division 3 (TANGIBLE PERSONAL PROPERTY AND MACHINERY AND TOOLS), of Article M (LEVY AND COLLECTION OF PROPERTY TAXES), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Section 3-2-230 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-230 When taxes due, delinquent taxes; penalty.

(a) The taxes levied on tangible personal property, on machinery and tools, and on mobile homes, motor vehicles, boats and trailers, except those which become subject to said tax after September 5, shall be due and payable to the director of finance on or before October 5 of the year ~~from~~for which they are levied and shall be considered delinquent after that date. To all of said taxes so delinquent there shall be added and collected as a part thereof a penalty of 10 percent or \$10, whichever is greater; provided, however, that the penalty shall in no case exceed the amount of tax due. In addition thereto, interest ~~at the rate of 10 percent per annum~~ on the taxes and penalty shall commence on the first day following the day such taxes are due and shall continue until all such taxes and penalty are paid. Such interest shall accrue at the rate of 10 percent per annum for the first year such taxes and penalty remain unpaid and thereafter at the rate of five percent per annum. There shall also be due, in addition to all penalties and interest, fees for administrative costs and reasonable attorney's fees or collection agency's fees incurred in the collection of such taxes, not to exceed the maximum permitted under section 58.1-3958 of the Code of Virginia (1950), as amended.

(b) The taxes levied on motor vehicles, boats and trailers which become subject to taxation between September 6 and December 31 of any given year shall be due and payable not more than 30 days after they become so subject to taxation. These taxes shall be considered delinquent if not paid on or before the thirtieth day from the date any motor vehicle, boat or trailer becomes subject to taxation. To all taxes so delinquent, there shall be added and collected as a part thereof, a penalty of 10 percent or \$10, whichever is greater; provided, however, that the penalty shall in no case exceed the amount of tax due. In addition thereto, interest ~~at the rate of 10 percent per annum~~ on the taxes and penalty shall commence on the first day following the day such taxes are due and shall continue until all such taxes and penalty are paid. Such interest shall accrue at the rate of 10 percent per annum for the first year such taxes and penalty remain unpaid and thereafter at the rate of five percent per annum. There shall also be due, in addition to all penalties and interest, fees for administrative costs and reasonable attorney's fees or collection agency's fees incurred in the collection of such taxes, not to exceed the maximum permitted under section 58.1-3958 of the Code of Virginia (1950), as amended.

Section 2. That this ordinance shall become effective upon the date and at the time of its final passage.

KERRY J. DONLEY
Mayor

Introduction: 6/12/01
First Reading: 6/12/01
Publication:
Public Hearing:
Second Reading:
Final Passage:

N.B. Underlining is not part of the ordinance but denotes material that is new or amended. Strike-outs or dashes are not part of the ordinance but denote material that is being deleted.