

RESOLUTION NO. 2963

RESOLUTION CONCERNING THE POSSIBLE WAIVER OF LATE PAYMENT PENALTIES AND INTEREST FOR THE SECOND INSTALLMENT OF TAX YEAR 2020 REAL ESTATE TAXES UNDER HARDSHIP CIRCUMSTANCES

WHEREAS, national, state and local economies have been negatively impacted by the COVID-19 pandemic, arising from the public health threat presented by this spreading communicable disease; and

WHEREAS, the Commonwealth presently remains in Phase Three of the Forward Virginia reopening blueprint; and

WHEREAS, Phase Three means the public is still “safest at home except for essential trips such as food purchases and medical care;” and

WHEREAS, the communicable nature of the disease is such that City Council adopted a mandatory face covering ordinance effective October 1, 2020; and

WHEREAS, the economic impact from COVID-19 is reflected in the cumulative decreases since February 1, 2020 in taxable sales (Sales Tax) of -17%, Meals Tax -42%, and Transient Lodging Tax -71%; and

WHEREAS, Virginia’s overall seasonally adjusted unemployment rate in August was 6.1%, or 3.4 percentage points higher than last year, resulting in the loss of more than 200,000 jobs (almost 40% of this being from Northern Virginia); and

WHEREAS, the employment component for Leisure and Hospitality Services in Virginia has been particularly impacted, down -20.3% compared to August 2019; and

WHEREAS, City Council approved last May the expenditure of funds allocated to the City from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 to include rental assistance (\$4.0 million), food security assistance (\$2.4 million), and small business assistance (\$2.4 million); and

WHEREAS, in September City Council approved the expenditure of a second tranche of CARES funding to assist the community, including \$2.5 million in rent assistance, housing stability and eviction prevention; \$2.4 million towards a second round of small business grants; \$2.0 million for the Alexandria Resilience Fund for community non-profits; \$1.53 million for food security programs; and, \$1.25 million in childcare support and programs and Workforce Development Center initiatives; and

WHEREAS, Council previously extended the Personal Property Tax due date by approximately two months to provide additional flexibility to the community; and,

WHEREAS, Real Estate bills are about to be mailed for the second installment of tax year 2020, due November 16th; and

WHEREAS, the Real Estate Tax represents over 60% of the General Fund budget; and,

WHEREAS, 62% of parcels in the City already have Real Estate taxes escrowed as part of the monthly mortgage payment, subsequently paid to the City by the applicable due date; and

WHEREAS, 38% of parcels in the City have Real Estate taxes paid directly by the property owner rather than through a mortgage company; and,

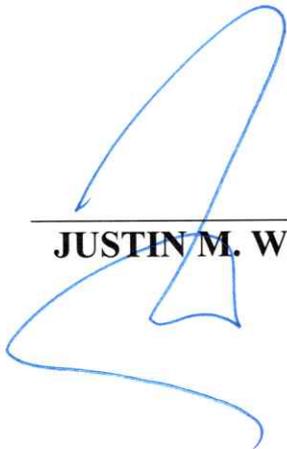
WHEREAS, the Department of Finance has the discretionary authority under Section 58.1-3916 of the Code of Virginia and Section 5.04 of the City Charter to waive late payment penalties and interest if due to “no fault of the taxpayer;” and,

WHEREAS, the Alexandria City Council desires to provide all support possible to the community at this time; and

**NOW, THEREFORE, BE IT RESOLVED
BY THE CITY COUNCIL OF ALEXANDRIA, VIRGINIA**

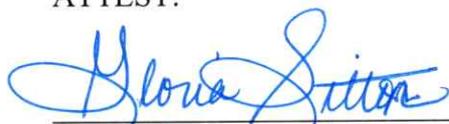
1. That the City Council views the financial impact from the global pandemic to be “no fault of the taxpayer” if a COVID-19 related hardship condition exists as determined by the Department of Finance that materially impedes payment of the second installment of 2020 Real Estate taxes by November 16, 2020.
2. That if in such situation the taxpayer pays the 2020 second installment in full no later than March 1, 2021, then the City Council commends the Director of Finance to give such circumstances favorable consideration in the review of applicable late payment penalty and interest waivers.
3. That the Director of Finance continue the existing practice to offer payment plans when necessary, but that any such plan that extends beyond March 1, 2021 for the second installment of tax year 2020 Real Estate Taxes include normal penalties and interest.

Adopted: October 17, 2020

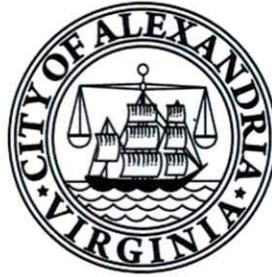


JUSTIN M. WILSON MAYOR

ATTEST:



Gloria A. Sitton, CMC, City Clerk



While the COVID-19 pandemic has affected our entire community, the City recognizes that the financial impact on some taxpayers may be particularly substantial. If the COVID-19 pandemic has affected your ability to pay the full amount of the 2020 second installment of Real Estate Tax due by November 16, please email covid19realpropertytax@alexandriava.gov to discuss your circumstances and learn about payment options.