

RESOLUTION NO. \_\_\_\_\_

**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

1 food security programs; and, \$1.25 million in childcare support and programs and Workforce  
2 Development Center initiatives; and

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

5 **WHEREAS**, Real Estate bills are about to be mailed for the second installment of tax  
6 year 2020, due November 16<sup>th</sup>; and

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

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

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

12 **WHEREAS**, the Department of Finance has the discretionary authority under Section  
13 58.1-3916 of the Code of Virginia and Section 5.04 of the City Charter to waive late payment  
14 penalties and interest if due to “no fault of the taxpayer;” and,

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

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18 **NOW, THEREFORE, BE IT RESOLVED**  
19 **BY THE CITY COUNCIL OF ALEXANDRIA, VIRGINIA**  
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- 21 1. That the City Council views the financial impact from the global pandemic to be “no  
22 fault of the taxpayer” if a COVID-19 related hardship condition exists as determined  
23 by the Department of Finance that materially impedes payment of the second  
24 installment of 2020 Real Estate taxes by November 16, 2020.
- 25 2. That if in such situation the taxpayer pays the 2020 second installment in full no later  
26 than March 1, 2021, then the City Council commends the Director of Finance to give  
27 such circumstances favorable consideration in the review of applicable late payment  
28 penalty and interest waivers.
- 29 3. That the Director of Finance continue the existing practice to offer payment plans  
30 when necessary, but that any such plan that extends beyond March 1, 2021 for the  
31 second installment of tax year 2020 Real Estate Taxes include normal penalties and  
32 interest.

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ADOPTED: October \_\_\_\_, 2020

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JUSTIN M. WILSON            MAYOR

ATTEST:

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Gloria A. Sitton, CMC, City Clerk