Albemarle County

Legislation Details (With Text)

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Type:	Report		**Status:**	Action Items	
File created:	11/11/2020		**In control:**	Board of Supervisors	
On agenda:	12/2/2020		**Final action:**		
Title:	Consideration of New Enabling Authority to Levy Taxes on the Sale or Use of Cigarettes, and Two Finance and Budget Tax Deadline Extension Ordinances.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	1. Att.A - Proposed Ordinance to Extend the Property Tax Due Dates, 2. Att.B - Proposed Ordinance to amend County Code Chapter 15, Taxation				

Date	Ver.	Action By	Action	Result

AGENDA DATE: 12/2/2020

TITLE:
Consideration of new enabling authority to levy taxes on the sale or use of cigarettes, and two Finance and Budget tax deadline extension Ordinances

SUBJECT/PROPOSAL/REQUEST: Consideration of new enabling authority to levy taxes on the sale or use of cigarettes, an Ordinance to extend the due dates of the property taxes for the first installments of 2021, and an Ordinance to provide extensions of time to pay certain Real Property taxes when good cause exists.

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Richardson, Kamptner, Bessette, Birch, Allshouse, L., Lin, Lynch, Bowman

PRESENTER (S): Nelsie Birch and Lori Allshouse

LEGAL REVIEW: Yes

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: There are three finance-related legislative items that requires the Board's attention this fall related to the FY 22 budget development process, and to tax payment schedules.

The first item is the County's ability to levy taxes on the sale of cigarettes. During the most recent General Assembly session, Virginia counties received additional enabling legislation, including the authorization to levy taxes upon the sale of cigarettes <https://law.lis.virginia.gov/vacode/title58.1/chapter38/section58.1-3830/>, effective July 1, 2021. Prior to enacting such a tax, the Board is required to hold a public hearing and adopt an Ordinance.

The second item is staff's recommendation that the Board schedule a public hearing on an Ordinance to adjust

the due date of the first installments of biannual taxes (Attachment A). The current payment due date of the first installments of 2021 taxes for Real Estate, Personal Property, Machinery and Tools, Mobile Homes and Public Service Corporations is June 5. In coordination with the FY 22 Budget development calendar and to provide adequate time for this year's tax billing process and for taxpayers to remit their first installments, staff recommends that the County extend the due dates for these property taxes to June 25, 2021 by Ordinance.

The third item is staff's recommendation that the Board schedule a public hearing on an Ordinance to amend County Code Chapter 15, Taxation, to provide an extension of time to pay certain real property taxes (Attachment B). Late charges required by County Ordinances for untimely local tax filings and payments are enabled by Virginia Code §§ 58.1-3916 and 58.1-3703.1. The Virginia Code states the County can provide up to a 90-day extension of time for the payment of real property taxes whenever a good cause exists. When an owner of real property is subject to a supplemental bill that is charged due to the correction of an assessment where the information was previously available to the County Assessor, and when that error is not due to any act or omission of the owner of such real property, the Virginia Code enables the County to cause no penalty or interest to accrue on the supplemental bill for an additional 90 days.

STRATEGIC PLAN: To enhance the well-being and quality of life for all citizens through the provision of the highest level of public service consistent with the prudent use of public funds.

DISCUSSION:
Cigarette tax - On December 2, staff will provide cigarette tax policy research and revenue projection information for the Board's consideration. A public hearing would be required prior to the adoption of an Ordinance to enact a cigarette tax.

Extension of June 2021 property tax deadline - On December 2, staff will request that the Board schedule a public hearing on an Ordinance to modify the scheduled June 2021 property tax due dates.

90-Day extension to pay supplemental real property tax bills - On December 2, staff will provide an overview of the County's late penalties and interest requirements, and will request that the Board schedule a public hearing on an Ordinance to amend County Code Chapter 15, Taxation, to provide a 90-day extension of time to pay supplemental real property tax bills that are issued due to the correction of an assessment where the information was previously available to the County Assessor, and when that error is not due to any act or omission of the owner of such real property.

BUDGET IMPACT: Implementation of a cigarette tax during FY 22 would result in additional tax revenues that could be dedicated to a County priority. Providing an extension of time to extend the due date of property taxes and to pay real property taxes for supplemental real estate bills is not anticipated to have an impact on expected revenues.

RECOMMENDATION:
Staff recommends that the Board: 1) consider levying a tax upon the sale or use of cigarettes and, if desired, schedule a public hearing on a potential Ordinance, 2) schedule a public hearing on an Ordinance to extend the due date of property taxes (Attachment A) and 3) schedule a public hearing on an Ordinance to amend County Code Chapter 15, Taxation, to provide an extension of time to pay real property taxes subject to supplemental bills when good cause exists (Attachment B).

ATTACHMENTS:
Attachment A: Proposed Ordinance to Extend the Property Tax Due Dates
Attachment B: Proposed Ordinance to amend County Code Chapter 15, Taxation