

**Caroline County
Board of Supervisors Agenda
Executive Summary**

Meeting Date: June 9, 2020

Title: Public Hearing – Amendment of Chapter 103, Article XI, §103-84 and §103.85 and Chapter 103, Article VI, §103. 44 and §103. 45 A. and §103. 45 B. of the Code of Caroline County, Virginia

(Check Mark)

<input type="checkbox"/> Consent	<input type="checkbox"/> Closed Meeting
<input checked="" type="checkbox"/> Action	<input checked="" type="checkbox"/> Public Hearing
<input type="checkbox"/> No Action (Information Only)	<input type="checkbox"/> Ordinance
<input type="checkbox"/> Resolution	<input type="checkbox"/> PowerPoint Presentation

Summary: At its April 14, 2020 meeting, the Board of Supervisors approved a 60-day emergency ordinance to implement temporary revisions to the due date and application of penalties and interest for real estate and personal property tax payments. The changes can be summarized as follows:

- 1) Deferred the due date for 2020 first half real estate and personal property tax payments to June 15, 2020;
- 2) Provided that no interest will be applied to late real estate and personal property tax payments received by July 15, 2020 (following this date interest on late payments will return to 10% per year or 0.8% per month); and
- 3) Provided that no penalties will be applied to late real estate and personal property tax payments received by August 15, 2020 (at which time the penalty will return to 10%).

These temporary deferrals were taken in response to the COVID-19 related economic downturn and its impact on county taxpayers. The adoption of the proposed ordinance that is the subject of the public hearing will allow the temporary measures to remain in place through the intended timeframes with a “sunset” provision specifying their

expiration after such time. Attached is a copy of the proposed ordinance prepared by County Attorney Ben Emerson.

Budget Impact: It is difficult to quantify the budget impact of the measures taken. In Fiscal Year 2018/2019, which Treasurer Elizabeth Curran believes offers the most valid comparison, \$92,483.03 was collected in penalties and \$12,414.16 was collected in interest on real estate and personal property tax payments received from June 6 to August 31.

Requested Action from Board of Supervisors: In accordance with the Board's bylaws and rules of procedure, Board members may ask questions, offer amendments and debate the merits of the issue following the public hearing.

A vote to adopt the proposed ordinance may be taken following the public hearing, unless the majority of Board members vote to place it under unfinished business for a third reading and action at a future Board meeting.

Staff recommends approval of the proposed ordinance amendments at the June 9 Board meeting.

AN ORDINANCE TO AMEND CHAPTER 103, ARTICLE XI, §103-84 AND §103.85 AND
CHAPTER 103, ARTICLE VI, §103. 44 AND §103. 45 A. AND §103. 45 B.
OF THE CODE OF CAROLINE COUNTY, VIRGINIA

WHEREAS, compliance with the Governor's Executive Orders temporarily closing numerous business operations in Virginia due to the COVID-19 virus has created financial hardship for many citizens in Virginia, including Caroline County; and

WHEREAS, the Caroline County Board of Supervisors believe it to be in the best interests of its citizens to delay the due date of certain taxes and to reduce interest and penalties for late payment of same for the first half of the 2020 year as a result thereof;

NOW, THEREFORE, BE IT ORDAINED that:

Chapter 103, Article XI, §103-84 and §103.85 and Chapter 103, Article VI, §103. 44 and §103. 45 A. and §103. 45 B. of the Code of Caroline County, Virginia are hereby amended to: 1) defer the due date for 2020 first half real estate and personal property tax payments to June 15, 2020; 2) amend the interest rate to be applied to late real estate and personal property tax payments received no later than July 15, 2020 to zero percent (0.0%), following which date interest on late payments will return to its previous rate of ten percent (10%) per year; and 3) amend the amount of the penalties to be applied to late real estate and personal property tax payments received no later than August 15, 2020 to zero percent (0%), following which date the penalty will return to the previous amount of ten percent (10%).

ADOPTED this 9th day of June, 2020.