



## Legislation Details (With Text)

<b>File #:</b>	17-0263	<b>Version:</b>	1	<b>Name:</b>	Appropriation of Unassigned General Fund Balance
<b>Type:</b>	Resolution-Budget	<b>Status:</b>	Passed		
<b>File created:</b>	7/25/2017	<b>In control:</b>	City Council Legislative Session		
<b>On agenda:</b>	8/9/2017	<b>Final action:</b>	8/9/2017		
<b>Title:</b>	Resolution Appropriating \$17,740.00 in Court-Awarded Attorneys' Fees for Judicial Tax Sales to the Fiscal Year 2018 Operating Budget of the City Attorney as Authorized by Virginia Code §58.1-3969				
<b>Sponsors:</b>					
<b>Indexes:</b>	Annual Budget Appropriations				
<b>Code sections:</b>	58.1-3965 - When land may be sold for delinquent taxes; notice of sale; owner's right of redemption, 58.1-3969 - Order of reference; appointment of special commissioner to make sale; costs; attorney fees				
<b>Attachments:</b>	1. Code of VA 58.1-3969, 2. Entered Final Decree (30 Langston), 3. Entered Final Decree (31 Fulton), 4. Entered Final Decree (33 Fulton), 5. Entered Final Decree (410 Chapel), 6. Entered Final Decree (431 Highland), 7. Entered Final Decree (1214 LaSalle), 8. Entered Final Decree (101 Wilson), 9. Entered Final Decree (Beverly)				

Date	Ver.	Action By	Action	Result
8/9/2017	1	City Council Legislative Session	approved	Pass

Resolution Appropriating \$17,740.00 in Court-Awarded Attorneys' Fees for Judicial Tax Sales to the Fiscal Year 2018 Operating Budget of the City Attorney as Authorized by Virginia Code §58.1-3969

### PURPOSE/BACKGROUND:

The Treasurer has the authority to sell land for delinquent taxes in accordance with Code of Virginia §58.1-3965 et. seq. Those sections require the filing of suit and the appointment of a special commissioner to conduct the sale of the property by auction. Pursuant to Code of Virginia §58.1-3969, the court shall allow as part of the cost payable from the proceeds of such land sales a reasonable sum to defray attorneys' fees and other expenses related to such suits. The majority of localities employ outside counsel to conduct those sales. Prior to 2015, sales in Hampton were conducted by outside counsel. Outside counsel took their fees from the sale proceeds prior to the satisfaction of delinquent taxes for the properties. Beginning in 2015, the arrangement with outside counsel was terminated and the process was brought in house for the City Attorney and her staff to personally assist the Treasurer with this process. The City Attorney's office only receives attorneys' fees if there are surplus funds after the delinquent taxes on the properties are paid.

On December 15, 2016, the Treasurer, with the assistance of the City Attorney, conducted an auction for sale of certain properties, including (1) 101 Wilson Lane (LRSN: 12005601), an improved parcel with a current assessed value of \$98,900.00; and (2) Beverly Street parcel (LRSN: 8003105), an unimproved parcel with a current assessed value of \$1,800.00.

By Orders entered by the Circuit Court of the City of Hampton on March 22, 2017 and April 13, 2017, the Court ordered attorneys' fees as follows: (1) in Case No. CL16-1810 in the amount of \$5,550.00 for the sale of 101 Wilson Lane; and (2) in Case No. CL16-1808 in the amount of \$440.00 for the sale of the Beverly Street parcel.

The successful bidders paid, in full, the bid price and all costs and fees owed pursuant to the sales described above. On April 13, 2017, the Treasurer transferred the total sum of \$5,990.00, which is the combined total of attorneys' fees awarded in the Orders described above. Those funds are currently held in Assigned Fund Balance 01-38078.

On March 14, 2017, the Treasurer, with the assistance of the City Attorney, conducted an auction for sale of certain properties, including (1) 30 Langston Boulevard (LRSN: 3004152), an improved parcel with a current assessed value of \$94,900.00; (2) 31 Fulton Street (LRSN: 12002123), an unimproved parcel with a current assessed value of \$13,100.00; (3) 33 Fulton Street (LRSN: 12002122), an unimproved parcel with a current assessed value of \$13,400.00; (4) 410 Chapel Street (LRSN: 2001978), an improved parcel with a current assessed value of \$60,800.00; (5) 431 Highland Avenue (LRSN: 1006654), an improved parcel with a current assessed value of \$86,000.00; and (6) 1214 LaSalle Avenue (LRSN: 2000365), an unimproved parcel with a current assessed value of \$25,100.00.

By Orders entered by the Circuit Court of the City of Hampton on June 5, 2017, the Court ordered attorneys' fees as follows: (1) in Case No. CL16-2369 in the amount of \$2,550.00 for the sale of 30 Langston Boulevard; (2) in Case No. CL16-1292 in the amount of \$705.00 for the sale of 31 Fulton Street; (3) in Case No. CL16-1813 in the amount of \$795.00 for the sale of 33 Fulton Street; (4) in Case No. CL16-2366 in the amount of \$2,350.00 for the sale of 410 Chapel Street; (5) in Case No. CL16-2360 in the amount of \$2,850.00 for the sale of 431 Highland Avenue; and (6) in Case No. CL16-2415 in the amount of \$2,500.00 for the sale of 1214 LaSalle Avenue.

The successful bidders paid, in full, the bid price and all costs and fees owed pursuant to the sales described above. On June 9, 2017 the Treasurer transferred to Assigned Fund Balance the total sum of \$11,750.00, which is the combined total of attorneys' fees awarded in the Orders described above. Those funds are currently held in Assigned Fund Balance 01-38078.

The total amount of Court-Ordered attorneys' fees described above is \$17,740.00.

The City Attorney's office expended personnel costs and other office resources for the purpose of instituting the requisite suits, proceeding with auction, confirming the sales, and all other actions necessary for the sale of those parcels. Primary counsel to the Treasurer in those matters was Deputy City Attorney Brandi Law.

The purpose of the resolution below is to appropriate to the City Attorney's office those sums ordered by the Circuit Court of the City of Hampton paid to the treasury of the City to defray the costs incurred by the City Attorney's office.

### **Discussion:**

See Purpose/Background above.

### **Impact:**

See Purpose/Background above.

**Recommendation:**

Approve the Resolution.

WHEREAS, the Treasurer has the authority to sell land for delinquent taxes in accordance with Code of Virginia §58.1-3965 et. seq.;

WHEREAS, instead of using an outside law firm, the City Attorney is now providing legal assistance to sell the aforementioned land at a cost savings to the City;

WHEREAS, pursuant to Code of Virginia §58.1-3969, the court shall allow as part of the cost payable from the proceeds of such land sales a reasonable sum to defray the cost of its attorneys ("Attorneys' Fees");

WHEREAS, the City Attorney has chosen not to recover Attorneys' Fees unless there are sufficient proceeds to pay off delinquent taxes and administrative fees first;

WHEREAS, on December 15, 2016, the Treasurer, with the assistance of the City Attorney, conducted an auction for sale of certain properties;

WHEREAS, on March 22, 2017 the Circuit Court of the City of Hampton ordered Attorneys' Fees of \$5,550.00 in Case No. CL16-1810 for the sale of 101 Wilson Lane (LRSN: 12005601);

WHEREAS, on April 13, 2017 the Circuit Court of the City of Hampton ordered Attorneys' Fees of \$440.00 in Case No. CL16-1808 for the sale of the Beverly Street parcel (LRSN: 8003105);

WHEREAS, on April 13, 2017 the Treasurer transferred to Fund Balance 01-38078 the total sum of \$5,990.00, which is the combined total of Attorneys' Fees awarded in the Orders described above;

WHEREAS, on March 14, 2017, the Treasurer, with the assistance of the City Attorney, conducted an auction for sale of certain properties;

WHEREAS, on June 5, 2017, the Circuit Court of the City of Hampton ordered Attorneys' Fees to be paid in the following amounts:

\$2,550.00 in Case No. CL16-2369 for the sale of 30 Langston Boulevard (LRSN: 3004152),  
\$705.00 in Case No. CL16-1292 for the sale of 31 Fulton Street (LRSN: 12002123),  
\$795.00 in Case No. CL16-1813 for the sale of 33 Fulton Street (LRSN: 12002122),  
\$2,350.00 in Case No. CL16-2366 for the sale of 410 Chapel Street (LRSN: 2001978),  
\$2,850.00 in Case No. CL16-2360 for the sale of 431 Highland Avenue (LRSN: 1006654), and  
\$2,500.00 in Case No. CL16-2415 for the sale of 1214 LaSalle Avenue (LRSN: 2000365).

WHEREAS, on June 9, 2017 the Treasurer transferred to Assigned Fund Balance the total sum of \$11,750.00, which is the combined total of Attorneys' Fees awarded in the Orders described above;

WHEREAS, the total amount of Court-Ordered Attorneys' Fees in the above referenced Orders is \$17,740.00; and

WHEREAS, the City Attorney expended personnel costs and other office resources for the purpose of instituting the requisite suits, proceeding with auction, and all other actions necessary for the sale of certain land.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Hampton, Virginia, that the sum of \$17,740.00 is hereby appropriated from Assigned Fund Balance to the Fiscal Year 2018 Operating Budget of the City Attorney in reimbursement for costs incurred in the sale of certain land in accordance with Code of Virginia §58.1-3965 et. seq.