



Legislation Details (With Text)

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Title: Resolution Appropriating \$39,700.00 from Assigned Fund Balance - City Attorney Fees from Judicial Tax Sales to the Fiscal Year 2019 Operating Budget of the City Attorney
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Resolution Appropriating \$39,700.00 from Assigned Fund Balance - City Attorney Fees from Judicial Tax Sales to the Fiscal Year 2019 Operating Budget of the City Attorney

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 these sales. Prior to 2015, sales in Hampton were conducted by outside counsel. Outside counsel took their fees from the sale 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.

Discussion:

The City Council appropriated \$39,700.00 received from judicial tax sales to the City Attorney's Fiscal Year 2018 Operating Budget through two actions conducted during that fiscal year. The first action occurred on August 9, 2017, when the City Council passed a resolution appropriating \$17,740.00 related to tax sales conducted on December 15, 2016 and March 14, 2017. The second action occurred on December 13, 2017, when the City Council passed a resolution appropriating \$21,960.00 related to tax sales conducted on September 5, 2017. The purpose of the resolution below is to re-appropriate to the City Attorney's office those sums ordered by the Circuit Court of the City of Hampton to be paid to the treasury of the City to defray the costs incurred by the City Attorney's office to allow for the continued use of those funds in fiscal year 2019.

Impact:

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. The proposed resolution would offset a portion of those costs.

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, March 14, 2017, and September 5, 2017, the Treasurer, with the assistance of the City Attorney, conducted an auction for the sale of certain properties;

WHEREAS, the Circuit Court of the City of Hampton ordered Attorneys' Fees in the total cumulative sum of \$17,740.00 for those sales that occurred on December 15, 2016 and March 14, 2017;

WHEREAS, the Circuit Court of the City of Hampton ordered Attorneys' Fees in the total sum of \$21,960 for those sales that occurred on September 5, 2017;

WHEREAS, on June 9, 2017, the Treasurer transferred to Fund Balance 01-38078 the total sum of \$17,740.00 the total amount of attorney's fees ordered pursuant to the herein referenced orders of the Circuit Court for the City of Hampton related to the December 15, 2016 and March 14, 2017 sales;

WHEREAS, on November 2, 2017 the Treasurer transferred to Fund Balance 01-38078 the total sum of \$21,960.00 the total amount of attorney's fees ordered pursuant to the herein referenced orders of the Circuit Court for the City of Hampton related to the September 5, 2017 sales; 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 \$39,700.00 is hereby appropriated from Assigned Fund Balance - City Attorney Fees from Judicial Tax Sales to the Fiscal Year 2019 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.*

