



## Legislation Text

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**File #:** 17-0383, **Version:** 1

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Resolution Appropriating \$21,960.00 of Fund Balance 01-38078 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 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 relate 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:**

On September 5, 2017, the Treasurer, with the assistance of the City Attorney, conducted an auction for sale of certain properties, including (1) 22 East Walker Road, (LRSN: 3003956), an improved parcel with a current assessed value of \$86,600.00; (2) 3639 Ervin Street, (LRSN: 1007048), an improved parcel with a current assessed value of \$103,700.00; (3) 412 Seminole Road (LRSN: 1006772), an unimproved parcel with a current assessed value of \$33,000.00; (4) 418 Wine Street (LRSN: 2003501), an unimproved parcel with a current assessed value of \$21,700.00; (5) Wine Street (LRSN: 2003502), an unimproved parcel with a current assessed value of \$21,700.00; (6) 478 Fox Hill Road (LRSN: 11003132), an unimproved parcel with a current assessed value of \$53,700.00; (7) 601 Providence Street (LRSN: 2001594) an unimproved parcel with a current assessed value of \$15,000.00; (8) 619 Hannah Street (LRSN: 1002705) an improved parcel with a current assessed value of \$61,300.00; and (9) 925 Quash Street (LRSN: 8000772) an unimproved parcel with a current assessed value of \$45,000.00.

By Orders entered by the Circuit Court of the City of Hampton on October 4, 2017, the Court ordered Attorneys' Fees as follows (1) \$3,600 in case number CL17001066-00 for the sale of 22 East Walker Road; (2) \$4,000.00 in case number CL17000933-00 for the sale of 3639 Ervin Street; (3) \$3,500.00 in case number CL16002365-00 for the sale of 412 Seminole Road; (4) \$1,300.00 in case number CL16002434-00 for the sale of 418 Wine Street; (5) \$1,300.00 in case number CL16002523-00 for the sale of Wine Street; (6) \$3,550.00 in case number CL16002358-00 for the sale of 478 Fox Hill Road; (7) \$360.00 in case number CL17000573-00 for the sale of 601 Providence Street; (8) \$2,150.00 in case number CL17001089-00 for the sale of 619 Hannah Street; and (9) \$2,200.00 in case number CL17001471-00 for the sale of 925 Quash Street.

The successful bidders paid, in full, the bid price and all costs and fees owed pursuant to the sales described above. On November 2, 2017, the Treasurer transferred the sum of \$21,960.00, which is the combined total of Attorneys' Fees awarded by the Circuit Court on October 4, 2017. Those funds are currently held in Fund Balance 01-38078. Primary counsel to the Treasurer in those matters was Deputy City Attorney Brandi A. 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 to be paid to the treasury of the City to defray the costs incurred by the City Attorney's office.

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

**WHEREAS**, the Circuit Court of the City of Hampton ordered Attorneys' Fees in the amount of \$3,600 in case number CL17001066-00 for the sale of 22 East Walker Road;

**WHEREAS**, the Circuit Court of the City of Hampton ordered Attorneys' Fees in the amount of \$4,000.00 in case number CL17000933-00 for the sale of 3639 Ervin Street;

**WHEREAS**, the Circuit Court of the City of Hampton ordered Attorneys' Fees in the amount of \$3,500.00 in case number CL16002365-00 for the sale of 412 Seminole Road;

**WHEREAS**, the Circuit Court of the City of Hampton ordered Attorneys' Fees in the amount of \$1,300.00 in case number CL16002434-00 for the sale of 418 Wine Street;

**WHEREAS**, the Circuit Court of the City of Hampton ordered Attorneys' Fees in the amount of \$1,300.00 in case number CL16002523-00 for the sale of Wine Street;

**WHEREAS**, the Circuit Court of the City of Hampton ordered Attorneys' Fees in the amount of \$3,550.00 in case number CL16002358-00 for the sale of 478 Fox Hill Road;

**WHEREAS**, the Circuit Court of the City of Hampton ordered Attorneys' Fees in the amount of \$360.00

in case number CL17000573-00 for the sale of 601 Providence Street;

**WHEREAS**, the Circuit Court of the City of Hampton ordered Attorneys' Fees in the amount of \$2,150.00 in case number CL17001089-00 for the sale of 619 Hannah Street;

**WHEREAS**, the Circuit Court of the City of Hampton ordered Attorneys' Fees in the amount of \$2,200.00 in case number CL17001471-00 for the sale of 925 Quash Street;

**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; 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 the sale of certain land.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of Hampton, Virginia, that the sum of \$21,960.00 is hereby appropriated from Fund Balance 01-38078 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.*