

## CITY COUNCIL MEMORANDUM

**AGENDA ITEM**

**REPEAL ORDINANCE 56-O; AD VALOREM TAXES**

**ORIGINATING DEPARTMENT**

**FINANCE**

### **BACKGROUND INFORMATION**

In 1956, the City Council adopted Ordinance 56-O, which established a discount for early payment of ad valorem taxes, an installment payment plan option, and penalties for delinquent payment of ad valorem taxes. The discount has been given since that date. Installment payment plans are still offered and penalties for delinquent payments assessed, but the specifics of the two programs have been superseded by state law.

### **DISCUSSION/CONCLUSION**

The City Council reached a consensus to discontinue the discount for early payment of ad valorem taxes. This ordinance repeals Ordinance 56-O, thereby discontinuing the early payment discount, as well as the installment payment plan and penalties for delinquent payments. Installment plans and delinquent penalty amounts are now determined by state law rather than by ordinance.

### **FINANCIAL IMPACT**

Repeal of the early payment discount will result in the collection of approximately \$983,729 in additional ad valorem taxes for Fiscal Year 2017.

### **RECOMMENDATION**

That Council adopt the attached resolution repealing Ordinance 56-O, discontinuing the discount for early payment of ad valorem taxes, as well as the installment plan option and penalties for delinquent payment of ad valorem taxes, which are now determined by state law.