

City of Dillingham Action Memorandum

Agenda of: January 7, 2021

Action Memorandum No. 2021-01

Subject:

Authorize 2020 property tax penalty relief and repayment program for commercial business affected adversely by COVID-19 mandates.

City Manager: Recommend Approval

Signature: 

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

Dillingham Municipal Code 4.15.230 and 4.15.365

Summary Statement:

The State and local COVID-19 mandates had a negative impact on local businesses, including but not limited to, reduction of hours, store closures, and employee layoffs. The financial hardship experienced by these establishments has resulted in reduced revenue streams for business. This has made meeting routine expenditures problematic. The City recognizes this difficulty and is offering the following program to assist with payments of property taxes:

Required criteria:

- Obtained 2020 business license with the City of Dillingham
- Property tax obligations prior to 2020 must be met
- Impacted by COVID-19 mandates as reflected by sales tax comparisons 2019 vs. 2020
- Program will offer the promissory repayment time up to 48 months
- Assessed penalties for the 2020 property tax season will be forgiven if the business completes the promissory payments as agreed
- Any plan that goes into default will no longer qualify for the program, and will not be eligible for a promissory note for two years from the default date
- Signed promissory agreements must be completed by February 26, 2021

If COVID-19 mandates continue to negatively impact commercial businesses this program may be extended for the 2021 tax year.

Action Memorandum No. 2021-01

Summary Statement continued:

PASSED and APPROVED by a duly constituted quorum of the Dillingham City Council
on January 7, 2021.

Mayor

ATTEST: [SEAL]

City Clerk

Route to	Department Head	Date
X	Finance Director	
X	City Clerk	

City of Dillingham
Fiscal Note

Agenda Date: January 7, 2021

2020 property tax penalty relief and repayment program for commercial business affected adversely by COVID-19 mandates.

ORIGINATOR: Finance Director

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
AMOUNT REQUESTED:	FUNDING SOURCE City of Dillingham
FROM ACCOUNT 1000 4051 10 Property tax penalty & interest	Project
TO ACCOUNT:	VERIFIED BY: <u>Anita Fuller</u> Date: <u>1/1/2021</u>

EXPENDITURES

OPERATING	FY21	FY22	FY23	FY24
Prop Tax penalty	\$ (5,954.56)			
TOTAL OPERATING	\$ (5,954.56)	\$ -	\$ -	\$ -

CAPITAL	\$ -			
---------	------	--	--	--

REVENUE	-			
---------	---	--	--	--

FUNDING

General & Special Rev. Funds	\$ (5,954.56)			
State/Federal Funds				
Capital Project				
TOTAL FUNDING	\$ (5,954.56)	\$ -	\$ -	\$ -

POSITIONS

Full-Time				
Part-Time				

Analysis: (Attach a separate page if necessary) See Action Memorandum 2021-01
Additional impact will spread the actual receipt of 2020 property tax receipts of \$59,545 over a 48 month period and decrease cash flow for that period of time.

PREPARED BY: Anita Fuller *AF* January 1, 2021

DEPARTMENT: Finance

APPROVED BY: *Deputy City Manager* _____