

RESOLUTION

Establishing a pool of funds in the amount of \$50,000, to be used for payment of refunds to licensed City businesses engaged in the same business activity as that considered by the Virginia Supreme Court on June 9, 2022 in Record Number 210414.”

WHEREAS, the Supreme Court of Virginia has determined that City’s Business License Ordinance Classification of “any other repair, personal or business service not specifically included in any other subclassification under this section” does not apply to a specific business activity engaged in by one particular business entity located within the City; and

WHEREAS, the Supreme Court of Virginia determined that the City’s current Business License Ordinance does not contain a suitable alternative license category for the specific business activity in question; and

WHEREAS, on the basis of the Supreme Court’s ruling, the Commissioner of the Revenue has determined that a specific business entity conducting business in Charlottesville paid 2015, 2016, 2017, and 2018 Business License Tax to the City of Charlottesville in error, and that the Commissioner is required to correct the assessment pursuant to Virginia Code §58.1-3980; and

WHEREAS, the business entity that prevailed in the Court proceedings has requested a refund of the amount paid in error; and

WHEREAS, the Commissioner of the Revenue has certified that a refund of taxes paid is due to that entity in the amount of \$3,304.21; and

WHEREAS, other similar entities may come forward requesting refunds on the basis of the Court’s ruling, some of which will exceed \$2,500; and

WHEREAS, City Code Section 30-6(b) requires City Council approval for any tax refund exceeding \$2,500.00; now, therefore,

BE IT RESOLVED by the Council for the City of Charlottesville, Virginia, that the City Council hereby authorizes the City Treasurer to issue a refund of \$3,304.21 to the entity that was the subject of the Supreme Court decision rendered June 9, 2022 (Record Number 210414); and

BE IT FURTHER RESOLVED that City Council hereby approves and directs refunds to be issued to other business entities located in the City, who are determined by the Commissioner of Revenue, with the concurrence of the City Attorney to be, or to have been, engaged in the same business activity as that considered by the Supreme Court in Record Number 210414, without presenting each such matter to City Council, so long as, collectively, the additional refunds do not exceed \$46,695.79. When approved in this manner, the Treasurer shall be authorized to issue any additional refund(s) corrected by the Commissioner of Revenue, with the concurrence of the City Attorney, contemplated by this Resolution. The pool of funds authorized by this resolution shall come from GL# 410150 (business license tax revenue) or from GL# 1631001000 (Citywide reserve) as necessary.