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**HOUSE BILL NO. 2659**

Offered January 13, 2003

*A BILL to amend and reenact § 58.1-3940 of the Code of Virginia, relating to collection of local taxes.*

Patrons—Johnson and Ingram

Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:**

**1. That § 58.1-3940 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-3940. Limitation on collection of local taxes.

A. Except as otherwise specifically provided, collection of local taxes shall only be enforceable for five years following December 31 of the year for which such taxes were assessed.

B. Real property taxes shall be enforceable by sale under Article 4 (§ 58.1-3965 et seq.) of the property on which such taxes were assessed and by other means permitted under this chapter for twenty years after December 31 of the year for which such taxes were assessed, provided that whenever taxes or portions of taxes that would otherwise be due have been deferred pursuant to an ordinance enacted in conformity with Article 2 (§ 58.1-3210 et seq.) or Article 2.1 (§ 58.1-3219 et seq.) of Chapter 32 of this title, the statute of limitations provided by this subsection shall be tolled with respect to taxes deferred during the pendency of such deferral.

C. Nothing in this section shall affect the collection, *under the provisions of this title*, of any taxes or other charges that have been reduced to judgment or a judgment lien resulting from a suit to collect taxes or other charges.

D. The statutes of limitations established by this section shall be tolled, with respect to any tax obligation or tax lien not discharged or otherwise relieved or rendered unenforceable pursuant to applicable law, for any period during which all or substantially all of the assets or estate of the taxpayer are subject to the control or custody of any court or receiver, including without limitation any United States Bankruptcy Court.

INTRODUCED

HB2659