

DEPARTMENT OF TAXATION

2006 Fiscal Impact Statement

1. **Patron** Martin E. Williams

2. **Bill Number** SB 302

House of Origin:

☐ **Introduced**

☐ **Substitute**

☐ **Engrossed**

3. **Committee** Passed House and Senate

4. **Title** Local Taxes; Use of Collection Agents

Second House:

☐ **In Committee**

☐ **Substitute**

☒ **Enrolled**

5. **Summary/Purpose:**

This bill would prohibit a locality from utilizing the local sheriff, an attorney or a private collection agent to assist with collection of a delinquent local tax unless the locality has first attempted to send written notification of the delinquency to the taxpayer at the address contained in the locality's tax records or, if the locality has reason to believe the taxpayer's address contained in its tax records is no longer current, at such other address, if any, as the locality may obtain from sources available to it, including the Virginia Employment Commission, the Department of Motor Vehicles or the Department of Taxation.

Under current law, localities are authorized to utilize the local sheriff, an attorney or a private collection agent to assist with the collection of local taxes which remain delinquent for a period of six months or more.

The effective date of this bill is not specified.

6. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

7. **Budget amendment necessary:** No.

8. **Fiscal implications:**

This bill would have no impact on state revenues. The impact of this bill on local revenues is unknown.

9. **Specific agency or political subdivisions affected:**

All localities.

10. **Technical amendment necessary:** No.

11. Other comments:

Under current law, localities are authorized to utilize the local sheriff, an attorney or a private collection agent to assist with the collection of local taxes which remain delinquent for a period of six months or more.

This bill would prohibit a locality from utilizing the local sheriff, an attorney or a private collection agent to assist with collection of a delinquent local tax unless the locality has first attempted to send written notification of the delinquency to the taxpayer at the address contained in the locality's tax records or, if the locality has reason to believe the taxpayer's address contained in its tax records is no longer current, at such other address, if any, as the locality may obtain from sources available to it, including the Virginia Employment Commission, the Department of Motor Vehicles or the Department of Taxation.

cc : Secretary of Finance

Date: 03/02/2006 JEM