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## SENATE BILL NO. 663

Offered January 21, 2010

A *BILL to amend and reenact § 58.1-1803 of the Code of Virginia, relating to the collection of delinquent state taxes.*

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 Patron—Miller, J.C.

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 Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:****1. That § 58.1-1803 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-1803. Department of Taxation may appoint collectors of delinquent state taxes; Contract Collector Fund established.

A. The Department of Taxation may appoint a collector in any county or city, including the treasurer thereof, to collect delinquent state taxes that were assessed at least 90 days previously therein, or elsewhere in the Commonwealth, and may allow him a reasonable compensation; ~~to be agreed on before the service is commenced in an amount equal to 20 percent of the delinquent state taxes. Such compensation shall be in addition to the delinquent state taxes. The person assessed with the delinquent state taxes shall be liable for such taxes plus the reasonable compensation. The collector shall collect the delinquent state taxes and the compensation from such person. The Department of Taxation shall not assign to the collector for collection delinquent state taxes that were assessed more than three years previously therein.~~ Where the appointed collector is a local government treasurer, any actions taken pursuant to this section shall be considered part of the official duties of such treasurer.

B. ~~The~~ In addition to appointing collectors, the Department of Taxation may ~~appoint collectors or~~ contract with collection agencies to collect delinquent state taxes that were assessed at least 90 days previously and allow reasonable compensation for such services, to be agreed on before the service is commenced. Delinquent claims for state taxes may be assigned to collectors or collection agencies so designated for the purpose of litigation in the Department of Taxation's name and at the Department of Taxation's expense.

The Department of Taxation shall not assign to a collector or a collection agency for collection any delinquent state taxes during the pendency of any administrative appeal of the same or any review by a court of the Commonwealth of the same.

C. Such collectors who are attorneys-at-law shall have authority to institute actions at law or suits in equity for the recovery of state taxes. For the purpose of this section, the term "state taxes" shall include any penalty and interest and shall also include the local sales and use tax imposed under the authority of §§ 58.1-605 and 58.1-606 and any penalty and interest applicable thereto. Each collector so appointed or collection agency so contracted with shall give bond to the Commonwealth for the faithful performance of the duties placed upon him by this section, in a penalty to be fixed by the Tax Commissioner, in whose office the bond shall be filed. Notwithstanding any other provision of law, any local government treasurer so appointed may collect any delinquent state taxes pursuant to the provisions of Article 2 (§ 58.1-3910 et seq.) of Chapter 39 of this title. Any county or city treasurer turning over delinquent tax tickets to any such collector in pursuance of orders issued by the Department of Taxation shall receive credit on the Comptroller's books for the amount so turned over.

D. There is hereby established a special fund in the state treasury to be known as the Contract Collector Fund, hereinafter referred to as the Fund. All moneys collected by collectors and collection agencies appointed by or under contract with the Department of Taxation pursuant to this section shall be placed in the Fund. Compensation of such collectors and collection agencies shall be paid out of the Fund on warrant of the Comptroller. The Comptroller shall transfer to the appropriate general, nongeneral, or local fund all moneys in the Fund in excess of that required to be paid to persons under contract, as determined by the Department, no later than June 30 each year.

INTRODUCED

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