

DEPARTMENT OF TAXATION

2017 Fiscal Impact Statement

1. **Patron** Richard C. Sullivan, Jr.
3. **Committee** Passed House and Senate

2. **Bill Number** HB 1463
House of Origin:
 Introduced
 Substitute
 Engrossed

4. **Title** Delinquent Taxes; Publication of List by
Treasurer

- Second House:**
 In Committee
 Substitute
 X **Enrolled**

5. Summary/Purpose:

This bill would allow local treasurers to publish, whether or not based on information as it exists at the end of the fiscal year 1) a list of tax delinquent real estate, and 2) a list of tax delinquent tangible personal property, machinery and tools and merchants' capital, and other subjects of local taxation.

Under current law, local governing bodies can require local treasurers to create lists for six enumerated categories of delinquent or uncollectible taxes within 60 days of the end of the fiscal year. A local governing body is currently authorized to publish two of those lists: 1) a list of tax delinquent real estate, and 2) a list of tax delinquent tangible personal property, machinery and tools and merchants' capital, and other subjects of local taxation.

The effective date of this bill is not specified.

6. **Budget amendment necessary:** No.
7. **Fiscal Impact Not Available** (See Line 8.)
8. **Fiscal implications:**

Administrative Costs

There are no state or local administrative costs associated with this bill.

Revenue Impact

Local revenues may increase by an unknown amount due to the possibility of increased collectability of delinquent taxes by localities that choose to publish lists of delinquent taxes on a more frequent basis.

This bill would have no impact on state revenues.

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

10. Technical amendment necessary: No.

11. Other comments:

Publishing of Delinquent Taxpayers Lists

Under Va. Code § 58.1-3921, the treasurer of each locality is required to create lists for six categories of uncollected and delinquent taxes no later than 60 days after the end of the fiscal year. The categories of delinquent or uncollected taxes include:

1. Real estate improperly placed or not ascertainable on the commissioner's land book with the amount of taxes charged;
2. Other real estate which is delinquent for nonpayment of the taxes on the property;
3. Uncollected taxes assessed on tangible personal property, machinery and tools and merchant's capital, and other subjects of local taxation other than real estate;
4. Uncollected taxes amounting to less than twenty dollars each for which no bills were sent;
5. Uncollected balances of previously billed taxes amounting to less than twenty dollars each, which the treasurer has determined that the costs of collecting would exceed the amount recoverable, along with any balance the treasurer has reason to believe that the taxpayer purposely paid less than the amount owed.
6. Uncollected balances of previously billed taxes on vehicles that (i) were owned by taxpayers, now deceased, upon whose estates no qualification has been made, or (ii) were transferred to bona fide purchasers for value without knowledge on the part of the persons so transferring of the unpaid taxes.

Under current law, localities are authorized to publish, in a newspaper or on the internet, full or partial lists only from categories (2) and (3). The costs, if any, of publishing such lists are paid for by funds allocated by localities for that purpose. Those costs may be charged ratably to the delinquent taxpayers listed.

Proposal

This bill would allow local treasurers to publish, whether or not based on information as it exists at the end of the fiscal year 1) a list of other real estate which is delinquent for the nonpayment of taxes thereon so long as the taxes owed are billed and greater than \$20, and 2) a list, excluding certain previously billed tangible personal property taxes on vehicles, of such of the taxes assessed on tangible personal property, machinery and tools and merchants' capital, and other subjects of local taxation, other than real estate, as he was unable to collect which are delinquent so long as the taxes owed are billed and greater than \$20.

cc : Secretary of Finance

Date: 2/21/2017 VB
HB1463FERS161