

DEPARTMENT OF TAXATION 2020 Fiscal Impact Statement

1. **Patron** Ibraheem S. Samirah

2. **Bill Number** HB 1534

3. **Committee** House Counties, Cities and Towns

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

4. **Title** Collection of Town Taxes by County

Second House:

 In Committee

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would authorize the board of supervisors of any county that has adopted the urban county executive form of government to enter into agreements with towns located partially or wholly within such county for the collection and enforcement of real or personal property taxes by the county official responsible for assessment or collection of taxes.

Under current law, in any county, the county treasurer and the treasurer of any town located partially or totally within such county may enter into a reciprocal agreement with the approval of the respective governing bodies that provides for the town treasurer to collect real and personal property taxes owed to the county and for the county treasurer to collect real and personal property taxes owed to the town.

If enacted during the Regular Session of the 2020 General Assembly, this bill would become effective July 1, 2020.

6. **Budget amendment necessary:** No

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

8. **Fiscal implications:**

Administrative Costs

This bill would have no impact on state administrative costs. However, it could result in administrative costs to counties.

Revenue Impact

This bill would have no impact on state revenues. However, it could have an unknown impact on county revenues.

9. Specific agency or political subdivisions affected:

Counties that have adopted the urban county executive form of government

10. Technical amendment necessary: No

11. Other comments:

Background

In any county, the county treasurer and the treasurer of any town located partially or totally within such county may enter into a reciprocal agreement with the approval of the respective governing bodies that provides for the town treasurer to collect real and personal property taxes owed to the county and for the county treasurer to collect real and personal property taxes owed to the town.

Legislation passed in 2018 permits the Loudoun County Board of Supervisors to authorize the Treasurer of Loudoun County to enter into agreements with towns located partially or wholly within Loudoun County for the collection and enforcement of real or personal property taxes by the county treasurer.

The county treasurer collecting town taxes pursuant to an agreement is required to account for and pay over to the town the amounts collected, as provided by law. The agreement would establish the terms for such collection and enforcement, including payment of reasonable compensation by the town for the services of the county treasurer and the order in which the county treasurer will credit partial payments between taxes owed to the county and those owed to the town.

Proposal

This bill would authorize the board of supervisors of any county that has adopted the urban county executive form of government to enter into agreements with towns located partially or wholly within such county for the collection and enforcement of real or personal property taxes by the county official responsible for assessment or collection of taxes.

If enacted during the Regular Session of the 2020 General Assembly, this bill would become effective July 1, 2020.

Similar Legislation

Senate Bill 649 is identical to this bill.

cc: Secretary of Finance

Date: 1/14/2020 SK
HB1534F161