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HOUSE JOINT RESOLUTION NO. 74

Offered January 11, 2006

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Directing the Joint Legislative Audit and Review Commission to study the functions and operations of the commissioners of revenue, treasurers, and directors of finance. Report.

Patron—Wardrup

Referred to Committee on Rules

WHEREAS, Virginia has 128 commissioners of revenue, 128 treasurers, and six appointed finance directors who perform the duties of both a commissioner of revenue and a treasurer, all of whom are funded by the Compensation Board; and

WHEREAS, state appropriations to the Compensation Board totaled approximately \$38 million for these offices in fiscal year 2006; and

WHEREAS, these constitutional officers have received state funding through the Compensation Board since at least 1934; and

WHEREAS, the Joint Legislative Audit and Review Commission (JLARC) in 1990 issued two reports on aspects of these local financial officers' operations, published as "Technical Report: Statewide Staffing Standards for the Funding of Financial Officers" (House Document 75 (1990)) and "Funding of Constitutional Officers" (House Document 81 (1990)); and

WHEREAS, the review of staffing standards identified a need for as many as 465 staff positions statewide to handle locally filed state tax returns and to provide other assistance to state agencies; and

WHEREAS, these prior JLARC reviews were narrowly focused on issues of staffing and funding; and

WHEREAS, one of the functions of the commissioners of revenue is to provide assistance to local taxpayers by reviewing state tax forms prior to submission to the State Department of Taxation; and

WHEREAS, the State Department of Taxation will have invested more than \$200 million in the multiyear "Tax Partnership Project," intended to develop new automated systems to improve tax filing, processing, collecting, auditing, and customer service; and

WHEREAS, the General Assembly has a duty to the taxpayers of the Commonwealth to protect the taxpayers from excessive spending and taxation; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Legislative Audit and Review Commission be directed to study the functions and operations of the commissioners of revenue, treasurers, and directors of finance.

In conducting its study, the Commission shall address (i) the benefits provided by the three types of local financial officers to the Commonwealth and its localities, (ii) the costs associated with these benefits and whether the benefits outweigh the costs, (iii) whether these officers are organized efficiently and effectively and provide services that are not duplicative of other services or functions provided by state or local government, (iv) whether alternative methods of state financing for these officers would be feasible and advisable, (v) whether the state tax assistance function carried out by these local officers is valuable and cost-effective, and (vi) such other related issues as it deems appropriate.

All agencies of the Commonwealth shall provide assistance to the Commission for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings by November 30, 2006, and the Chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the 2007 Regular Session of the General Assembly. The executive summary shall state whether the Commission intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

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