

DEPARTMENT OF TAXATION

2017 Fiscal Impact Statement

1. **Patron** M. Keith Hodges

3. **Committee** Senate Finance

4. **Title** Publication of List by Treasurer; Tangible
Personal Property Tax

2. **Bill Number** HB 2455

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would require local treasurers to compile an annual list of uncollected balances of previously billed tangible personal property taxes on trailers, semitrailers, watercraft, and manufactured homes 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, local governing bodies can require local treasurers to create a list for uncollectible taxes of previously billed tangible personal property taxes only 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.

The effective date of this bill is not specified.

6. **Budget amendment necessary:** No.

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

8. **Fiscal implications:**

Administrative Costs

Localities may experience an unknown cost to compile an additional list under 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 use the list data to more effectively pursue delinquent taxpayers.

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 require local treasurers to compile an annual list of uncollected balances of previously billed tangible personal property taxes on trailers, semitrailers, watercraft, and manufactured homes 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.

The effective date of this bill is not specified.

Similar Legislation

House Bill 1463 would allow local treasurers to publish lists of delinquent or uncollectible taxes from categories (2) and (3) as enumerated in *Va. Code* § 58.1-3921, whether or not the lists are based on information as it exists at the end of the fiscal year.

cc : Secretary of Finance

Date: 2/9/2017 VB
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