DEPARTMENT OF TAXATION
2018 Fiscal Impact Statement

1. Patron Jennifer T. Wexton

2. Bill Number SB 123
House of Origin:
X **Introduced**
_____ **Substitute**
_____ **Engrossed**

3. Committee Senate Committee on Local Government

4. Title Local Property Taxes; Loudoun County Treasurer Agreement for Collection of Towns' Taxes.

Second House:
_____ **In Committee**
_____ **Substitute**
_____ **Enrolled**

5. Summary/Purpose:

This bill would permit 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 town real or personal property taxes by the county treasurer. This bill would not provide for the town treasurer's collection of real and personal property taxes owed to the county.

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.

The effective date of this bill is not specified.

6. Budget amendment necessary: No

7. No Fiscal Impact: (See Line 8)

8. Fiscal implications:

This bill would have no impact on state or local revenues.

9. Specific agency or political subdivisions affected:

Loudoun County and towns partially or wholly located within its borders

10. Technical amendment necessary: No

11. Other comments:

Generally

Real and personal property taxes are collected in localities by each county, city, or town treasurer, whose primary task is to receive the revenues, levies, and other amounts payable into the treasury of the locality in which he is elected, and to disburse moneys in accordance with state law.

State law authorizes county treasurers and the treasurer of any town located within that county to enter into reciprocal agreements, authorizing the town treasurer to collect real and personal property taxes owed to the county, and the county treasurer to collect real and personal property taxes owed to the town. Each treasurer collecting taxes under the agreement is required to account for and pay over whatever amount is owed to the other locality.

Proposal

This bill would permit 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 would be 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.

This bill would not require an agreement by which the town treasurer would collect real and personal property taxes owed to the county

The effective date of this bill is not specified.

Similar Legislation

House Bill 340 and **Senate Bill 92** are identical to this bill.

cc : Secretary of Finance

Date: 1/13/2018 sk
File Name: SB123F161