

# DEPARTMENT OF TAXATION

## 2018 Fiscal Impact Statement

1. **Patron** John S. Edwards

3. **Committee** Senate Finance

4. **Title** Local Taxes; Use of Private Collectors by  
Treasurers

2. **Bill Number** SB 822

**House of Origin:**

X **Introduced**

       **Substitute**

       **Engrossed**

**Second House:**

       **In Committee**

       **Substitute**

       **Enrolled**

### 5. **Summary/Purpose:**

This bill would expand the ability of treasurers in any county, city, or town to employ the services of private collection agents, by permitting the collection of "other charges" by such private collection agents in addition to the collection of delinquent local taxes.

The bill also reduces, from six months to three months, the period that certain taxes or other charges must be delinquent prior to collection by an attorney or attorneys, or by a sheriff or a delinquent local tax collector hired by the local governing body with the approval of the local treasurer.

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 that employ the services of private collection agents, attorneys, sheriffs, or delinquent local tax collectors could incur unknown administrative costs as a result of this bill.

This bill would have no impact on state administrative costs.

#### Revenue Impact

This bill could have an unknown revenue impact on localities that employ the services of private collections agents, attorneys, sheriffs, or delinquent local tax collectors.

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:**

Background

Each treasurer is responsible to receive local taxes and other amounts payable into the treasury for the political subdivision of the Commonwealth that they serve. The treasurer is responsible to account for and pay over all such taxes and payments as provided by law.

Under current law, the treasurer in any county, city, or town, with the approval of the local governing body, is permitted to employ the services of private collection agents to assist with the collection of any local taxes that remain delinquent for a period of three months or more.

Current law also provides that, with the approval of the treasurer, a governing body of a locality, may appoint or hire one or more attorneys to collect any local taxes or other charges that may have been delinquent for six months or more.

The governing body of a locality also has the option to place local taxes or other charges that have been delinquent for six months or more in the hands of the sheriff for collection, or the locality can employ a local delinquent tax collector to make such collections.

Proposal

This bill would expand the ability of treasurers in any county, city, or town to employ the services of private collection agents, by permitting the collection of "other charges" by such private collection agents in addition to the collection of delinquent local taxes.

The bill also reduces, from six months to three months, the period that certain taxes or other charges must be delinquent prior to collection by an attorney or attorneys, or by a sheriff or a delinquent local tax collector hired by the local governing body with the approval of the local treasurer.

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cc : Secretary of Finance  
Date: 1/20/2018 SK  
DLAS File Name: SB822F161