

DEPARTMENT OF TAXATION

2019 Fiscal Impact Statement

1. **Patron** Betsy B. Carr

2. **Bill Number** HB 2060

3. **Committee** House Finance

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

4. **Title** Real Estate with Delinquent Taxes or Liens;
Appointment of Special Commissioner;
Increase Required Value

Second House:

 In Committee

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would increase the assessed value of a parcel of land that could be subject to appointment of a special commissioner to convey the real estate to a locality as a result of unpaid real property taxes or liens.

The assessed value threshold would be raised from \$50,000 or less to \$75,000 or less in most localities. In the Cities of Norfolk, Richmond, Hopewell, Newport News, Petersburg, Fredericksburg, and Hampton, the threshold would be raised from \$100,000 or less to \$150,000 or less.

If enacted during the 2019 Regular Session of the General Assembly, this bill would become effective July 1, 2019

6. **Budget amendment necessary:** No

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

8. **Fiscal implications:**

Administrative Costs

This bill could have an unknown effect on local administrative costs. It would have no impact on state administrative costs.

Revenue Impact

This bill could have an unknown impact on local revenues. It would have no impact on state revenue.

9. **Specific agency or political subdivisions affected:**

All localities

10. Technical amendment necessary: No

11. Other comments:

Localities have a broad array of tools to collect taxes and liens including collection from the taxpayer's bank account, wages, or income tax refunds, suits against the taxpayer personally, and sale of the real estate to which the tax lien has attached.

Currently, a locality may also seek to convey a parcel or parcels of real estate to the locality instead of selling the property at public auction if (i) each parcel has delinquent real estate taxes or the locality has a lien against the parcel for removal, repair or securing of a building or structure; removal of trash, garbage, refuse, litter; or the cutting of grass, weeds or other foreign growth, (ii) each parcel has an assessed value of \$50,000 or less, and (iii) such taxes and liens, together, including penalty and accumulated interest, exceed 50 percent of the assessed value of the parcel or such taxes alone exceed 25 percent of the assessed value of the parcel.

Special rules are in place for the Cities of Norfolk, Richmond, Hopewell, Newport News, Petersburg, Fredericksburg, and Hampton. For those cities each parcel must have an assessed value of \$100,000 or less.

To convey a parcel or parcels of real estate to the locality, the locality must petition the circuit court to appoint a special commissioner to execute the necessary deed or deeds to complete the conveyance.

Proposal

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cc : Secretary of Finance

Date: 1/13/2019 SK
HB2060F161