

DEPARTMENT OF TAXATION

2019 Fiscal Impact Statement

1. **Patron** John S. Edwards

2. **Bill Number** SB 1301

3. **Committee** Passed House and Senate

House of Origin:

 Introduced

 Substitute

 Engrossed

4. **Title** Private Collectors; Delinquent Taxes and
Other Charges

Second House:

 In Committee

 Substitute

 X **Enrolled**

5. **Summary/Purpose:**

This bill would allow local treasurers to employ private collections agents to assist with the collection of delinquent amounts due other than delinquent local taxes that have been delinquent for a period of three months or more and for which the appropriate statute of limitations has not run.

Under current law, local treasurers may only employ private collections agents to assist with the collection of delinquent local taxes that meet such criteria.

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 Cost

This bill would have no impact on state or local administrative costs.

Revenue Impact

This bill may have an unknown positive revenue impact on localities that choose to employ private collections agents to assist with the collection of delinquent amounts due. This bill would have no impact on state revenues.

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

Localities that choose to exercise the authority granted by this bill

10. **Technical amendment necessary:** No.

11. Other comments:

Under current law, the treasurer in any county, city, or town, with the approval of the local governing body, may employ the services of private collection agents to assist with the collection of any local taxes, other than real estate taxes, that remain delinquent for a period of three months or more and for which the statute of limitations has not run.

Current law also provides that a governing body may appoint or hire, with the approval of the treasurer, one or more attorneys to collect any local taxes or other charges that have been delinquent for six months or more. Any attorney so appointed or hired shall be entitled to exercise the powers conferred by law upon the treasurer for purposes of collecting the taxes or other charges referred to them.

Alternatively, the governing body may place local taxes or other charges that have been delinquent for six months or more in the hands of the local sheriff of the county or city for collection, or employ a local delinquent tax collector. Such sheriff or local delinquent tax collector shall be entitled to exercise, for the purpose of collecting taxes or other charges referred to them, the powers conferred by law upon the treasurer.

Proposal

This bill would allow local treasurers to employ private collections agents to assist with the collection of delinquent amounts due other than delinquent local taxes that have been delinquent for a period of three months or more and for which the appropriate statute of limitations has not run.

This bill would become effective July 1, 2019.

cc : Secretary of Finance

Date: 2/21/2019 VB
DLAS File Name: SB1301FER161