



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of September 17, 2011**

DATE: August 19, 2011

SUBJECT: Presentation of Delinquent Tax Accounts

C. M. RECOMMENDATION:

Adopt the attached resolution concerning the annual presentation of lists of delinquent taxes by the Treasurer.

ISSUE: This is a request for authorization to publish the Treasurer's list of delinquent taxes. No issues have been identified.

SUMMARY: This is a request to allow the Treasurer to present annual submission of Delinquent Tax Accounts.

BACKGROUND: The Treasurer annually submits lists of delinquent and uncollected taxes pursuant to Code of Virginia §58.1-3921. This submission includes the correction of the real estate tax rolls for changes in taxes due (technically labeled "improper assessments," but which actually consist of properties exempted from real estate taxes by virtue of the purchase of the property by the County or the status of the property owners, e.g., churches). §58.1-3924 of the Code of Virginia also provides that the County Board may request the Treasurer to provide to it a copy of the lists of delinquent and uncollected taxes and may direct that:

1. The Treasurer certify to the Director of Real Estate Assessments the list of improper assessments pursuant to §58.1-3921 and that the Treasurer be given credit for the tax amount included in such list; and
2. The list of delinquent accounts, described in subdivisions 2 and 3 of §58.1-3921, or such parts thereof as deemed advisable by the Treasurer, be published; and

County Manager:

BMD/mjs

County Attorney:

[Signature]

[Signature]

Staff: Susan Anderson, Treasurer's Office

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3. The Treasurer is to be given credit for the tax amounts included in the lists prepared pursuant to subdivisions 4 and 5 of §58.1-3921;
4. The Treasurer continues to collect unpaid taxes on subjects other than real estate, which are legally collectible.

DISCUSSION: It is recommended that the County Board: (1) authorize the Treasurer to certify to the Director of Real Estate Assessments the list of improper assessments for the Treasurer to be credited with the amounts listed thereon, (2) directs that the parts of the lists of delinquent accounts mentioned in subdivisions 2 and 3 of §58.1-3921 deemed advisable by the Treasurer be published as provided for in §58.1-3924, which parts the Treasurer has determined to be real estate and personal property accounts having a balance due of \$1,000.00, and (3) that the Treasurer continue collection of delinquent taxes on subjects other than real estate which are legally collectible under §58.1-3933.

The Treasurer has compiled lists of delinquent County taxes as described above and summarizes this information in the attached letter. As required by law, the lists are now available for inspection in the County Board Office. It should be noted that the compiled lists include all outstanding delinquencies for all type of taxes rather than just those taxes, which have become delinquent in the last year or which are required to be reported. Also, while delinquent taxes as of June 30, 2011 collected up to August 14, 2011 are credited to FY 2011, it appears that the level of outstanding delinquent property taxes in comparison to the outstanding levy will again be very low which reflects the healthy state of the Arlington economy, coupled with the Treasurer's very effective and innovative tax delinquency collection programs.

FISCAL IMPACT: Uncollectable delinquent taxes are already accounted for in the Adopted FY 2012 Budget, and therefore should not have a material fiscal impact.

RESOLUTION CONCERNING ANNUAL LISTS OF DELINQUENT TAXES
SUBMITTED BY THE TREASURER

Be it resolved by the County Board of Arlington, Virginia that:

1. Pursuant to Code of Virginia §58.1-3924, the Treasurer is directed to certify to the Director of Real Estate Assessments the **2011** list of real estate on the Arlington Land Book improperly placed thereon or not ascertainable;
2. Pursuant to Code of Virginia §58.1-3924, the Treasurer is directed to publish those real estate and personal property accounts he deems advisable, that is those accounts which equal or exceed \$1,000.00 from the lists mentioned in subdivisions 2 and 3 of Virginia Code §58.1-3921 in **2011**; and
3. Pursuant to Code of Virginia §58.1-3924, the Treasurer is given credit for the tax amounts included in the lists mentioned in subdivisions 4 and 5 of Code of Virginia §58.1-3921 in **2011**; and
4. Pursuant to Code of Virginia Code §58.1-3933, the Treasurer is directed to continue to collect delinquent taxes on subjects other than real estate until the expiration of the appropriate statute of limitations (§58.1-3940).



ARLINGTON COUNTY, VIRGINIA

OFFICE OF THE COUNTY TREASURER

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FRANCIS X. O'LEARY
TREASURER

August 19, 2011

MEMBERS OF THE COUNTY BOARD{PRIVATE }
Arlington County, Virginia

Members of the Board:

I wish to take this opportunity to report to you that our outstanding delinquency rate for fiscal year 2011 was 0.55%. This rate is the lowest delinquent rate in Arlington history. I submit herewith lists of uncollectible and delinquent taxes in accordance with § 58.1-3921 et seq. of the Code of Virginia.

List 1 covers improper assessments (Treasurer Orders) of real estate taxes for fiscal year **2011** for accounts with taxes and penalties, which total **\$ 509,092.80**. Please authorize the certification of this list by the Treasurer to the Director of Real Estate Assessments for the correction of the assessment records and the crediting of the Treasurer's account in the amount of **\$ 509,092.80**.

List 2 covers delinquent real estate taxes for tax year **2010** and prior tax years, which were due on or before June 30, 2011 and were unpaid as of August 14, 2011, in the amount of **\$ 441,177.49**.

List 3A covers delinquent personal property taxes for tax year **2010** and prior tax years, which were due on or before June 30, 2011, and were unpaid as of August 14, 2011 in the amount of **\$ 3,052,267.94**.

List 3B covers delinquent business tangible taxes, for tax year **2010** and prior tax years, which were due on or before June 30, 2011, and were unpaid as of August 14, 2011 in the amount of **\$ 852,706.34**.

List 3C covers delinquent business license taxes for tax years **2011** and prior tax years which were billed and were due on or before June 30, 2011, and were unpaid as of August 14, 2011, in the amount of **\$ 2,454,805.90**.¹

List 3D covers delinquent meals taxes for tax year **2011** and prior tax years which were billed and were due on or before June 30, 2011, and were unpaid as of August 14, 2011, in the amount of **\$ 836,587.85**.²

¹ The Attorney General has opined that the Tax Secrecy Act (Code of Virginia § 58.1-3) "prohibits local tax officials from disclosing the amounts of taxes owed by individuals and businesses paying business license taxes, or collecting excise taxes on meals, transient lodging or amusements, and similar taxes based on sales or gross receipts, when the disclosure of those amounts will reveal the volume of business conducted by the taxpaying entity during the period for which the taxes are due" (1992 Va. AG 157). Accordingly, this list does not include the specific amounts due from the listed individuals or businesses.

² See fn. 1, above.



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FRANCIS X. O'LEARY
TREASURER

Lists 4A-D (§58.1-3921 (4)), cover uncollected taxes for which no bills were sent under §58.1-3912:

- 4A** Personal property taxes (\$10.00 and less) for which no bills were sent for tax year **2010 and prior tax years - \$ 5,639.48.**
- 4B** Business tangible taxes (\$10.00 and less) for which no bills were sent for tax year **2010 and prior tax years - \$ 4,453.75.**
- 4C** Business license taxes (\$10.00 and less) for which no bills were sent for tax year **2011 and prior tax years - \$ 7.59.**
- 4D** Real estate taxes (\$10.00 and less) for which no bills were sent for tax year **2011 and prior tax years - \$ 3,774.61.**
- 4E** Meals taxes (\$10.00 and less) for which no bills were sent for tax year **2011 and prior tax years - \$ 68.72.**

Lists 5A-D (§58.1-3921 (5)), cover uncollected balances of previously billed taxes amounting to less than twenty dollars each as to which the Treasurer has determined that the costs of collecting such balances would exceed the amount recoverable and of which he has no reason to believe that the taxpayer has purposely paid less than the amount due and owing.

- 5A** Residual personal property taxes (\$20.00 and less) for tax year **2010 and prior tax years – \$ 16,494.60.**
- 5B** Residual business tangible taxes (\$20.00 and less) for tax year **2010 and prior tax years – \$ 1,003.71.**
- 5C** Residual business license (\$20.00 and less) for tax year **2011 and prior tax – \$ 3,465.91.**
- 5D** Residual meals taxes (\$20.00 and less) for tax year **2011 and prior tax years – \$ 1,002.89.**
- 5E** Residual real estate taxes (\$20.00 and less) for tax year **2011 and prior tax years – \$ 3,158.69.**

In the past, by resolution pursuant to §58.1-3933 and §58.1-3924 of the Code of Virginia, the Board has directed that the Treasurer continue to pursue all unpaid tangible personal property and real estate taxes which are legally collectible and to publish the parts of the delinquent lists which are deemed advisable. A resolution in this respect is provided with the County Manager's report for your consideration.

Thank you for your kind consideration of all these matters.

Respectfully,

Frank O'Leary
Treasurer