AGENDA ITEM #8

AGENDA ITEM ACTION REQUEST

	Meeting Date: July 12, 2011 **Meeting Type**: Regular _×_ Special ___
Requestor: ___ Manager ___ City Attorney ___ Department _×_ Other *Treasurer's Office*	**Item**: Consider removal of delinquent taxes from current collections accounts.
Reviewed: ___ Manager ___ City Attorney ___ Department _×_ Other *Treasurer's Office*	**Review:** As stipulated in City code Section 4-1-36 and Code of Virginia 58.1-3940, which stipulates the duration of time taxes can be collected. Time has expired for 1990 Real Estate taxes (20 years) and 2005 Personal Property taxes (5 years).
Recommend: _×_ Yes ___ No ___ Manager ___ City Attorney ___ Department ___ Other *Treasurer's Office*	
	Attachments: 1. Letter from Treasurer 2. Code references.

Office of the Treasurer
City of Harrisonburg, Virginia
Jeffrey L. Shafer, Treasurer
345 S. Main St.
Harrisonburg, VA 22801

July 5, 2011

Mr. Kurt Hodgen, City Manager
Mr. Richard Baugh, Mayor
Honorable Members of City Council
City of Harrisonburg
345 South Main Street
Harrisonburg, VA 22801

RE: Delinquent taxes removed from our books due to expiration of collection time.

In accordance with the 4-1-36 from the Harrisonburg City Code, and 58.1-3940 from the State Code of Virginia, I respectfully request that personal property taxes for the year of 2005 and real estate taxes for the year 1990 be removed from the Treasurer's books as uncollectable.

1990 Real Estate	**$2,841.12**
2005 Personal Property	**$245,131.28**

The Code of Virginia section 58.1-3940 stipulates the duration for collection of personal property tax as five (5) years. The duration for collection of real estate taxes as twenty (20) years. At such time the Treasurer shall be given credit for such amounts and shall not be required to make further collections thereon.

**Please note: Any payments applied after the date of this letter will affect the charge off amount. Also, payments made after the taxes are removed from the active collection accounts are still posted against the remaining balance.

Respectfully yours,

Jeffrey L. Shafer
City Treasurer

CC: Ms. Erica Kann, Clerk

Sec. 4-1-36. - Continuing collection of delinquent taxes.

(a) The city treasurer shall continue to collect the taxes shown on the delinquent tax lists for one (1) year following June 30 of the year as of which such delinquent lists speak.

(b) At the expiration of one (1) year following June 30 of the year of which such delinquent lists speak; the city treasurer shall again submit a copy of each of the lists mentioned in section 4-1-28 of this article to the city council. Such lists so resubmitted shall show the changes which have occurred since June 30 of the preceding year, and the city treasurer shall continue to collect the unpaid real estate taxes until the real estate shall be sold under the provisions of the Code of Virginia, Article 4 of Chapter 39 (section 58.1-3965 et seq.) of Title 58.1.

(c) The city attorney shall assist the treasurer in bringing suit to sell lands delinquent in excess of two (2) years as provided by state law. The treasurer is authorized to post the necessary bonds for such attorney to act as special commissioner for the sale of delinquent lands.

(d) After the second listing of delinquent taxes on personal property, machinery and tools the treasurer shall continue to collect the same for an additional two (2) years. At the end of that time the treasurer shall return an updated delinquent list to city council and after review by the city council, the treasurer shall be given credit for such amounts and shall not be required to make further collections thereon.

(Res. of 10-13-64; Ord. of 7-22-08(1))

Tax Code of Virginia

Code Section: 58.1-3940
Tax Type: Local Taxes
Brief Description: Limitation on collection of local taxes
Topics: Clarification; Collection of Tax

§ 58.1-3940. Limitation on collection of local taxes.

A. Except as otherwise specifically provided, collection of local taxes shall only be enforceable for five years following December 31 of the year for which such taxes were assessed.

B. Real property taxes shall be enforceable by sale under Article 4 (§ 58.1-3965 et seq.) of the property on which such taxes were assessed and by other means permitted under this chapter for 20 years after December 31 of the year for which such taxes were assessed, provided that whenever taxes or portions of taxes that would otherwise be due have been deferred pursuant to an ordinance enacted in conformity with Article 2 (§ 58.1-3210 et seq.) or Article 2.1 (§ 58.1-3219 et seq.) of Chapter 32 of this title, the statute of limitations provided by this subsection shall be tolled with respect to taxes deferred during the pendency of such deferral.

C. The limitation periods provided in subsections A and B of this section shall not apply to taxes or other charges that have been reduced to judgment or a judgment lien resulting from a suit to collect taxes or other charges, which may be collected by any means provided in this chapter or any means provided by general law for the collection of judgments so long as the judgment or judgment lien remains enforceable pursuant to general law.

D. The statutes of limitations established by this section shall be tolled, with respect to any tax obligation or tax lien not discharged or otherwise relieved or rendered unenforceable pursuant to applicable law, for any period during which all or substantially all of the assets or estate of the taxpayer are subject to the control or custody of any court or receiver, including without limitation any United States Bankruptcy Court.

(Code 1950, §§ 58-967, 58-1019, 58-1021; 1971, Ex. Sess., c. 6; 1984, c. 675; 1994, c. 209; 1996, c. 323; 1998, c. 648; 2002, c. 64; 2003, c. 214.)