



# **FY 2020 Proposed Budget**

Revenue Work Session

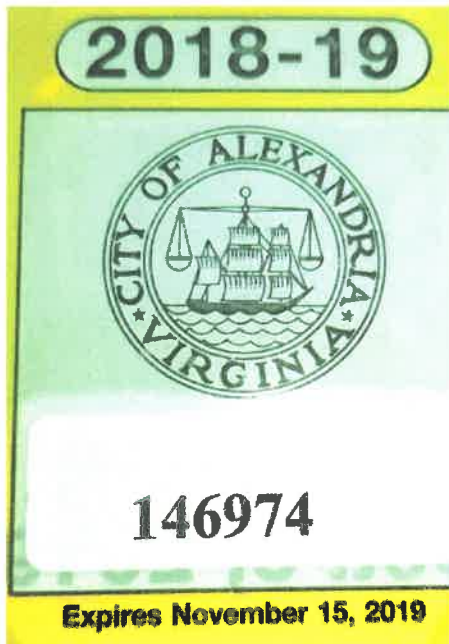
February 19, 2019



# Delinquent Tax Collection Outsourcing

- Outsourcing delinquent collections of Real Estate, Business Personal Property, and unpaid Parking Tickets
- No Cost to City. State law allows 20% fee charged to Delinquent Taxpayer
- Builds upon successful outsourcing of Delinquent Car Taxes
- Finance retains complete program oversight and control
- Continued focus on Customer Service. Payments plans available for financial hardship
- Helps maximize collection efficiency, enhances collection of delinquent taxes and tickets.
- Estimated gain of \$341,000 offsets new Discovery efforts associated with Decal Elimination

# Elimination of Vehicle Tax Decals



- Eliminate annual decal display requirement for vehicle windshield
- Proposed to be effective for 2020
- Maintains local registration fee, \$3.8 million in FY 2020



# Decal Elimination Statewide

- 76% of all Virginia localities have already abolished decal display requirement:
  - 94% of all counties
  - 87% of all cities
  - 60% of all towns
- Norm throughout is to retain local registration fee as permitted by State law



# Decal Elimination, NOVA

- Only the Cities of Alexandria, Fairfax and Falls Church still require decal display
- Loudoun County abolished decal in 2018
- Arlington County planning to abolish decal in 2020



# Decal Elimination, Customer Service

- Improves customer service and streamlines tax process for nearly 140,000 taxpayers each year
- Eliminates affixing & scraping decals
- Ends nuisance tax of \$1.00 for decal transfer (shards of previous decals had to be returned to Finance upon vehicle disposal)
- Fewer walk-ins and better telephone call coverage anticipated



# Decal Elimination, Collections

- Decals initially established to ensure collection; no longer an essential need
- Localities have many other tools: DMV Holds, State Income Tax Set-Off Debt, Bank Liens, Wage Liens, Boots, Tows, and Referral to Collection Agency
- Most taxpayers are honest and comply with law, avoiding penalties and collection hassle
- Continued strong collection rates anticipated- the norm in jurisdictions abolishing decals



# Decal Elimination, Discovery



- In lieu of decals, Finance to deploy License Plate Reader (LPR) technology. Automated match to Tax Roll to identify and research exceptions (used in Arlington/Falls Church)
- Adds 2.0 FTE's, more discovery field work and research
- LPR will enhance delinquent tax and parking ticket collections (levy stickers/boots)
- LexisNexis data analytics project boosts taxation of non-registered vehicles with out-of-state plates
- Improves capacity of Parking Enforcement Officers by Finance assuming tax enforcement
- **Revenue neutral:** decal expenditure reductions, enhanced discovery, levy stickers, and collection outsourcing anticipated to cover costs, including elimination of "No Decal" citations