

## PROGRAM MISSION

To reduce the debt owed to the County.

The Compliance Division's responsibility is to ensure the equitable distribution of the tax burden over the County's private and business population through the prompt and efficient collection of County taxes and revenues.

- The **Compliance Division** is comprised of three functional areas: Collections Section, Lien Section and Enforcement Section.
  - The **Collections Section** is composed of collectors who contact delinquent taxpayers by mail and telephone in an attempt to collect the overdue debt or acquire information which can be used to generate liens or other enforcement action. If a taxpayer fails to pay after issuance of a final notice, the collector assigned to the account chooses from various tools provided by Virginia law to affect payment. These tools include distress warrants for seizure of vehicles or other property; liens against wages, bank accounts or rents; seizure of state income tax refunds; warrants against funds owed to the debtor by the County; and Motions for Judgment through the appropriate court. The section also collects special assessments, returned checks, and other delinquent debts on behalf of other County departments and agencies.
  - The **Lien Section** uses information acquired by collectors and gained through their own efforts to issue liens on wages, bank accounts, rents and commercial accounts receivable. This section effectively uses a broad range of collection powers to intercept payments which debtors would otherwise receive or secure assets of the debtors that are being held by other parties. This is complex technical work which requires interfaces with a wide variety of systems outside of the County. The Lien Section also submits delinquent accounts to the Virginia Department of Taxation's set-off debt program that enables the County to receive payment from any state income tax refund or lottery prize that is due to the debtor. The section also administers a process whereby delinquent debtors who work in Virginia are located through the Virginia Employment Commission. This enables the issuance of liens that require employers to withhold amounts due to the County from the debtor's paychecks. Another function of this section is the collection of overdue parking tickets and other department and agencies' debts for the County and for Reagan National Airport. Included in the parking ticket collection function is a program for dealing with car rental firms and other fleet operators to affect collections of tickets issued to their vehicles.
  - The **Enforcement Section** finalizes the efforts of the Collector and Lien Sections by performing on-site visits to enforce liens and immediately take possession or impound physical assets and currency. When required, this section will also liquidate these assets through conducting a public auction or other appropriate legal method. Additionally, the Enforcement Section renders assistance to collectors with large dollar accounts when the collection effort can be enhanced by face-to-face visits. This section is also responsible for the identification of vehicles that are not in compliance with the county vehicle licensing (decal) law. This is accomplished by on-site inspections of residential parking lots and other areas where non-compliant vehicles are likely to be found.
- The **Litigation Division** is responsible for filing and litigating all claims in Bankruptcy court and to aggressively pursue uncollected accounts through Motions for Judgment in General District Court. The division is also responsible for tracking, pursuing and responding to inquiries on judgments; to target delinquent real estate for sale and to answer legal

questions and interpret statutes and regulations for the office. The division also works with the Treasurers' Association of Virginia to reform and enhance tax collection tools and other laws affecting treasurers.

**PROGRAM FINANCIAL SUMMARY**

	FY 2005 Actual	FY 2006 Adopted	FY 2007 Proposed	% Change '06 to '07
Personnel	\$1,558,967	\$1,699,700	\$1,729,853	2%
Non-Personnel	136,012	213,983	199,296	-7%
<b>Total Expenditures</b>	<b>1,694,979</b>	<b>1,913,683</b>	<b>1,929,149</b>	<b>1%</b>
<b>Total Revenues</b>	<b>350,478</b>	<b>269,512</b>	<b>282,906</b>	<b>5%</b>
<b>Net Tax Support</b>	<b>\$1,344,501</b>	<b>\$1,644,171</b>	<b>\$1,646,243</b>	<b>-</b>
Authorized FTEs	24.2	24.2	24.2	
Funded FTEs	24.2	24.2	24.2	

**SIGNIFICANT BUDGET HIGHLIGHTS:**

- ↑ The FY 2007 proposed budget reflects a two percent market pay line adjustment, a 10% increase in employer health insurance costs, and an increase in employer retirement contributions to maintain full funding of the retirement fund.
- ↓ The decrease in non-personnel expenses (\$14,687) is due to a decrease in the Department of Technology Services projected telephone costs for the division.
- ↑ The increase in revenue (\$13,394) is due to an increase in administrative fees partially offset by a decrease in DMV Select revenue.

**PERFORMANCE MEASURES**

**Compliance Division**

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate	FY 2007 Goal
Delinquent Clearances: Personal Property	\$13,445,028	\$14,999,709	\$15,869,304	\$9,741,463	\$10,082,414	\$10,435,299	\$10,435,299
Delinquent Clearances: Real Estate	\$5,672,264	\$4,818,329	\$4,824,708	\$6,138,967	\$6,370,000	\$6,070,000	\$6,070,000
Delinquent Clearances: Business License	\$11,532,375	\$13,249,878	\$12,883,474	\$12,317,313	\$14,930,000	\$16,100,000	\$16,100,000
Delinquent Clearances: Other Taxes	\$717,830	\$764,744	\$1,069,605	\$757,757	\$1,180,000	\$1,310,000	\$1,310,000
Delinquent Clearances: Parking Tickets	\$6,579,478	\$6,010,875	\$6,077,000	\$3,901,116	\$3,570,000	\$3,020,000	\$3,020,000
Delinquent Clearances: Other Debt	\$186,618	\$52,043	\$567,607	\$229,708	\$400,000	\$470,000	\$470,000
Delinquent Clearances: Total Clearances	\$38,133,593	\$39,895,578	\$41,291,698	\$33,086,325	\$36,532,414	\$41,635,299	\$41,635,299
Compliance/ Litigation Divisions: Total Clearances/ FTE	\$1,575,768	\$1,648,578	\$1,706,269	\$1,367,203	\$1,509,604	\$1,720,467	\$1,720,467
Compliance/ Litigation Divisions: Benefit to Cost Ratio	\$21.43	\$21.98	\$22.16	\$16.75	\$17.90	\$19.65	\$19.65

**Litigation Division**

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate	FY 2007 Goal
Total court collection	\$812,000	\$982,000	\$750,000	\$845,000	\$750,000	\$800,000	\$800,000
Timely filed claims	95%	98%	98%	98%	100%	100%	100%
Percent of customer inquiries on judgments satisfied/fulfilled within established timeframes	N/A	N/A	N/A	98%	100%	100%	100%
Percent of claims filed within established timeframes	N/A	N/A	N/A	98%	100%	100%	100%
Dollar value of delinquent real estate taxes owned to the County	\$193,000	\$166,381	\$180,381	\$209,136	\$175,000	\$200,000	\$200,000