

Collection Action FAQs

What types of collection action does the City pursue to collect on delinquent accounts?

The City uses many resources to collect on delinquent accounts. Among the more prominent ones used are the following:

- **Vehicle Registration Withholding (VRW)** – An account with delinquent taxes or parking violations may be referred to the Virginia Department of Motor Vehicles (DMV). DMV will not enable the owner of a vehicle with delinquent taxes or unpaid parking violations to register the vehicle until all outstanding amounts are paid to the locality that has reported the unpaid items to DMV. In addition to the tax or parking violation amount(s) due, there is an additional \$20 fee assessed by DMV for processing the transaction that is passed on to the owner of the vehicle.
- **Outsource attorney** – Delinquent accounts are subject to being sent to our collection attorney for appropriate legal and collection action. The collection attorney's fees (up to 20% of the balance due) and up to \$250 in additional fees may be incurred by the delinquent taxpayer in such instances.
- **Debt Set Off** – A delinquent account may be referred to the Virginia Department of Taxation (TAX) to have any tax refund or lottery winnings withheld from the taxpayer and applied to an outstanding tax liability. In addition to the tax liability, TAX assesses a 4% fee on the funds they collect through a Debt Set Off action and the City assesses a \$25 processing fee on such claims.
- **Loss of Tax Relief** – Taxpayers who qualify for either Tax Relief for the Elderly or Permanently Disabled and Tax Rehabilitation Exemptions lose the tax relief for which they have applied and are eligible when they do not pay the portion of the taxes for which they are responsible.
- **Additional Fees** – Up to 70% of the original tax due. Penalty and interest are calculated on the total amount due on your account. Interest, at 10% per annum, is calculated on the tax plus the penalty.

What information can be released concerning the taxes I pay to the City?

Virginia Code § 58.1-3, Secrecy of Information, protects most information received in the process of the administration of local taxes from disclosure to anyone other than the taxpayer. However, there are a few exceptions to this general rule of secrecy:

- (1) Real estate taxes are considered a public record. The assessed value and real estate tax assessments are published annually in what is known as the Land Book. The Land Book is available for public inspection.
- (2) The Personal Property Book (Property Book) is also a matter of public record. However, the Property Book only contains the name, address and total assessed value of personal property of each taxpayer.
- (3) Business License information is mostly protected by § 58.1-3. Only the licensee name, trading as name, business address, type of business and if the license is current is considered public information.