

TACS FACTSSM

*A Resource for Treasurers on Developments and Trends in Collection and Bankruptcy
From Taxing Authority Consulting Services, P.C.*

Copyright 2013

Volume VIII, Issue 3

Summer 2013

Customer Service 101

Dealing with Difficult People

By Mark Ames, Taxing Authority Consulting Services, P.C.

As sure as the sun rises and sets, your office will have to deal with those “special” individuals who are angry, frustrated or both. Handling these calls in a productive manner can be a challenge but they also present an opportunity to nip a growing problem in the bud. Calls resolved at the frontline level without supervisor intervention pay huge dividends in the time saved from interruptions in your day to day operations. Moreover, your employees will gain confidence and job satisfaction in their abilities to professionally diffuse and handle these tense situations.

What’s in a Name?--Bob’s Story

Bob was a conscientious and hard worker who spent a good part of his work day on the phone with customers. He was a team player who was well liked by his peers. His eye for detail, subject matter knowledge and calm demeanor were all assets in his day to day job performance. However, he had a history of difficulty dealing with callers who arrived at his phone extension in an angry or otherwise distressed state. More often than not, these callers ended up at odds with Bob and he found it necessary to transfer them to his supervisor for resolution.

Fortunately, Bob’s company regularly monitored employee/customer phone calls. When Bob’s phone calls were evaluated, a troublesome pattern emerged. Although Bob always remained calmed in his dealings with distraught or angry callers, he had a habit of referring to them only

Continued ►

TACS FACTS is a publication of Taxing Authority Consulting Services, PC (TACS).

You may register to receive this quarterly newsletter and other TACS alerts by subscribing at our website, www.taxva.com. Please also visit our website for more information about the firm, our newsletter archive and sample forms and letters. Please contact us at info@taxva.com or (804) 649-2445 if you need help registering or to gain access to the site.

The articles and content of this publication may not be reprinted without the written permission of Taxing Authority Consulting Services, P.C. Copyright 2013

Customer Service 101 continued

as “Sir” or “Ma’am” rather than using their proper name i.e. Mr. or Ms. _____. This observation presented an opportunity for improvement. It was suggested that Bob make a habit of addressing all his callers by their surnames.

The effect of this small change was immediate and dramatic. Bob was able to reach success with more customers than ever before without the necessity of “punting” the call to his supervisor.

The explanation for Bob’s turnaround is simple: Customer callers, especially angry ones, detest being “treated like a number.” To be lumped into the nameless rabble of “Sirs” and “Ma’ams” is equivalent to being treated as a number to most. The simple practice of always using the persons surname usually makes the caller feel (perhaps subconsciously) as if they are being heard, and respected, as an individual person rather than “just a number.” This positive feeling reflects back on your employees handling the call. When a person feels as if they are being heard and respected as a person they will accord the same courtesy to the employees calling them. No longer are they viewed as the faceless enemy but rather as a fellow individual who can be an ally in resolving the situation at hand. Your employees can reinforce this relationship by assuring the customer that they will be able to work together to find a solution to their problem. Your customers (even the angry ones) will be more cooperative and willing to compromise to resolve the problem at hand. And that, after all, is the goal.♦

Planning to succeed with difficult customers

•••

Make sure you have trained your frontline staff in the protocol for handling emotional callers. In the rare instance where the caller is verbally abusive, profane or threatening, your staff should feel empowered to terminate the call after giving the caller appropriate warning to discontinue this type of behavior. In the more common situation where your staff member is otherwise unable to resolve a demanding caller’s issue, there should be a clear and defined path for transferring the caller to a supervisor.

Upcoming TAV Classes

Collection of Delinquent Taxes and Other Charges, August 13-14 in Roanoke.

Bankruptcy: The Treatment of Local Government Debt, Sept. 30-Oct. 1 in Roanoke.

For information and registration, visit:

<http://www.coopercenter.org/certification/current-tav-course-offerings>

Bringing an Online Component to Real Estate Tax Sale Auctions

For those who have been through the Judicial Sale process, you know that is a long and time consuming path to get the property to the courthouse steps and offered for sale. Once it is there, it is in the best interest of the locality to maximize the level of participation in the sale process and to reach out to as many people as possible to let them know about the sale. Obviously, the greater the number of the people that come to the auction to bid increases the expected return on the sale of the property. Additionally, the simple notification of that the sale taking place will have a tangible impact on other delinquent taxpayers and will result in additional collections for the locality.

The Virginia Code implies that a judicial tax sale be held by public auction, and such proceedings have been traditionally held as such with the sale being on the courthouse steps or in another public place. The tax sale attorney is required to advertise the sale and likely provides only the required advertised notice, but may also retain an auctioneer who may have his own distribution list of interested parties. The price obtained at such a public auction is deemed to be prima facie evidence of fair market value. Code of Virginia §58.1-3969.

Wouldn't it be great if you could open up the sale and bidding to thousands of potential buyers across the country?

Rather than be limited to the few people in the locality that are interested in tax sale property, Taxing Authority Consulting Services has partnered with Rasmus Auctioneers to offer an on-line bidding component to the Tax Sale that works in conjunction with the live auction "on the courthouse steps".

Continued ►



TACS FACTS is looking for contributions from YOU to help keep your fellow tax collectors informed on news, trends and developments of interest to tax collectors throughout Virginia.

Please send us your stories about your successes, attempts and creativity in collections. Or feel free to share your comments, thoughts or ideas on anything you've read or would like to see in the future with us at info@taxva.com.

tacs

Online Tax Sales *continued from p.3*

This arrangement has several distinct advantages for the locality. First, it significantly increases the pool of interested parties in the properties. Rasmus maintains an e-mail distribution list of over 35,000 registered members and the sale information gets communicated to them. In addition, the auction website gets thousands of hits a day, providing additional opportunities for potential real estate investors to become aware of the sale and take steps to participate. Also, since the sale is on-line and in-person, the bidding can start as soon as the auction is posted, days or even weeks prior to the sale. These bids, received on-line are then used to form the starting bid at the live in-person auction.

In this unique environment, the on-line bidders are competing for the same properties as those who are present in person. In order for this model to succeed, sufficient information about the properties needs to be made available on the internet so a remote bidder can examine the properties offered and can perform necessary due diligence. As bids are made, the internet is updated and those bidding on-line are offered a final call before the gavel falls and the sale concludes.

The availability of the on-line auction has led to increased interest in the tax sale properties, and, in many instances, additional active bidders. In fact, in an auction of properties for Fairfax County, one of the successful bidders participated in the auction remotely. In what must be a first in Virginia, a property was sold in a judicial tax sale auction over the internet.

The use of the internet and on-line auctions to promote and conduct a judicial tax sale seems to create a win-win situation for the locality. More people find out about the sale, more people tend to participate and the ultimate sales prices are higher. Even if the use of such a full service auctioneer increases the auction costs, they can be offset by the higher prices obtained or through a buyer's premium imposed on the successful purchaser. While not all tax sales may benefit from an on-line component, it is certainly worth thinking about to maximize your recovery.♦

WHO IS TACS?

Taxing Authority Consulting Services, P.C. is a Virginia law firm formed to meet the needs of treasurers and local tax officials.

Jeffrey Scharf, Mark Ames and John Rife are dedicated to serving the needs of local taxing authorities.

TACS' focus is on tax collection, assessment and bankruptcy issues faced by governments. TACS can provide assistance to your locality to help increase your revenue stream from your delinquent accounts.

Please contact us at: (804) 649-2445 or by e-mail to info@taxva.com to discuss your collection needs or for more information about the firm.

“TACS”ing Thoughts

‘Tis pleasant to observe, how free the present Age is in laying taxes on the next.

— Jonathan Swift

Answers to Some Frequently Asked Questions:

Q: I have a taxpayer that is still married but has a legal separation agreement where the judge has ordered the husband to pay the personal property taxes on his wife's car (this car is currently jointly owned). The husband is currently paying monthly on the delinquent taxes.

If the husband stops paying can we attempt to collect these taxes from both of them since both their names are on the account? Or does her court document from the judge that orders the husband to pay the joint taxes prevent us from ever attempting collection against her even if the husband stops paying.

A: While the divorce case (and court) can change the rights and responsibility of the parties with regard to taxes as between the parties themselves, I believe that they cannot change the right and responsibilities of the government who is not a party to the divorce proceedings.

So while the court may indicate a division of property (i.e. motor vehicles) or dictate responsibility for payment; the divorce decree itself does not actually change the ownership (title) of the property. You can be sure the finance company is not taking the other spouse off the loan just because the court awarded the vehicle to the other party. Thus, on the collections side, until they change the title, I believe both parties remain responsible for the taxes. So you could pursue her if he failed to keep his agreement.

Q: I had a taxpayer call say that his wife died and his name was not on the vehicle and he should not pay the taxes on the vehicle due before she died. She had no estate. What happens in this situation?

A: The answer may depend on who is the currently the owner of the vehicle. If it is the husband, the vehicle remains subject to distress for the unpaid taxes.

§58.1-3941 establishes a lien on the property that is valid against anyone except a bona fide purchaser. Since he would have received the vehicle as an inheritance, he is not a good faith bona fide purchaser and the lien remains.

§ 58.1-3941. What may be distrained for taxes.

Any goods or chattels, money and bank notes in the county, city or town belonging to the person or estate assessed with taxes, levies or other charges collected by the treasurer may be distrained therefor by the treasurer, sheriff, constable or collector. Property subject to levy or distress for taxes shall be liable to levy or distress in the hands of any person for taxes, penalties and interest thereon, except that any highway vehicle as defined herein purchased by a bona fide purchaser for value shall not be liable to levy or distress for such taxes unless the purchaser knew at the time of purchase that the taxes had been specifically assessed against such vehicle.

Property on which taxes were specifically assessed, whether assessed per item or in bulk shall be subject to distress after it passes into the hands of a bona fide purchaser for value. ♦