

The Legal Department

Special Procedures
Collections Actions

tacs

Why do we use special procedures collection actions?

Because...



have been unsuccessful

What are our most effective special procedures collections tools?



Summons to Answer
Interrogatories

Court proceedings
General District Court or Circuit Court

What is the goal of using special procedures collections tools?

To bring people to the table

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graph TD; A[To bring people to the table] --> B[To get the taxes paid]; B --> C[To secure the debt];
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To get the taxes paid

To secure the debt

How are the taxpayers selected?

Amount due

- Higher dollar accounts first

Years delinquent

- “Next-to-fall-off” tax years

Recommendations from Collections Dept. or Locality

Collection history of the account

- Letters, phone calls, defaulted payment plans, dried up lien sources, etc.

Summons to Answer Interrogatories

VA CODE § 58.1-3128

“Summonses” “Interrogatories” or “Rogs”

Who?

- The treasurer or collector may

May do what?

- Summon the taxpayer or any other person

For what reason?

- To appear and answer questions and produce documents



Jim Carrey, *Bruce Almighty* (2003)

Summons Process

Types of Accounts

Personal Property

Business License

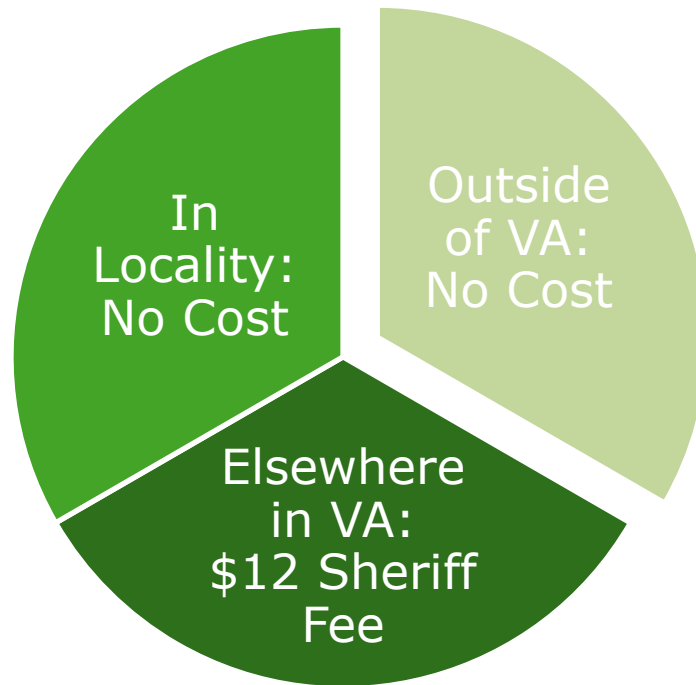
NOT FDCPA

Real Estate

Trust Taxes

Summons Process

Costs Involved



NOTE: you will be invoiced for any costs incurred for service of process. However, we add these charges to our system, recoup them from the taxpayer, and remit them first from any money paid.

Summons Process

What happens BETWEEN Filing and the Summons date?

Summonses are Served and Mailed

Taxpayer Response

Other/No Response



Resolution of Account?

Payment/Dispute

New Info/Address



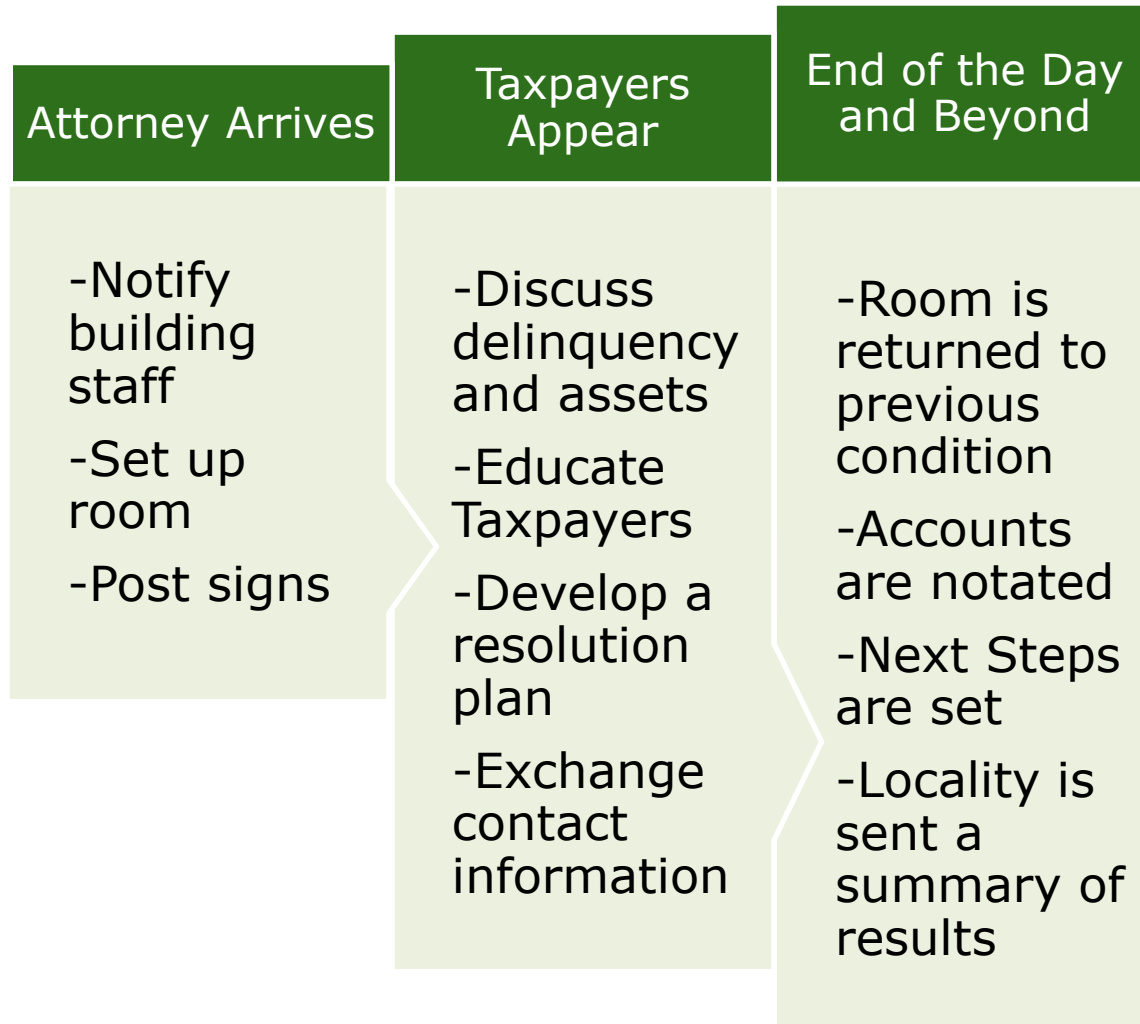
Excused from Appearing vs. Required to Appear

Fully/Mostly Resolved

No Contact or Resolution

Summons Process

What happens ON the Summons date?

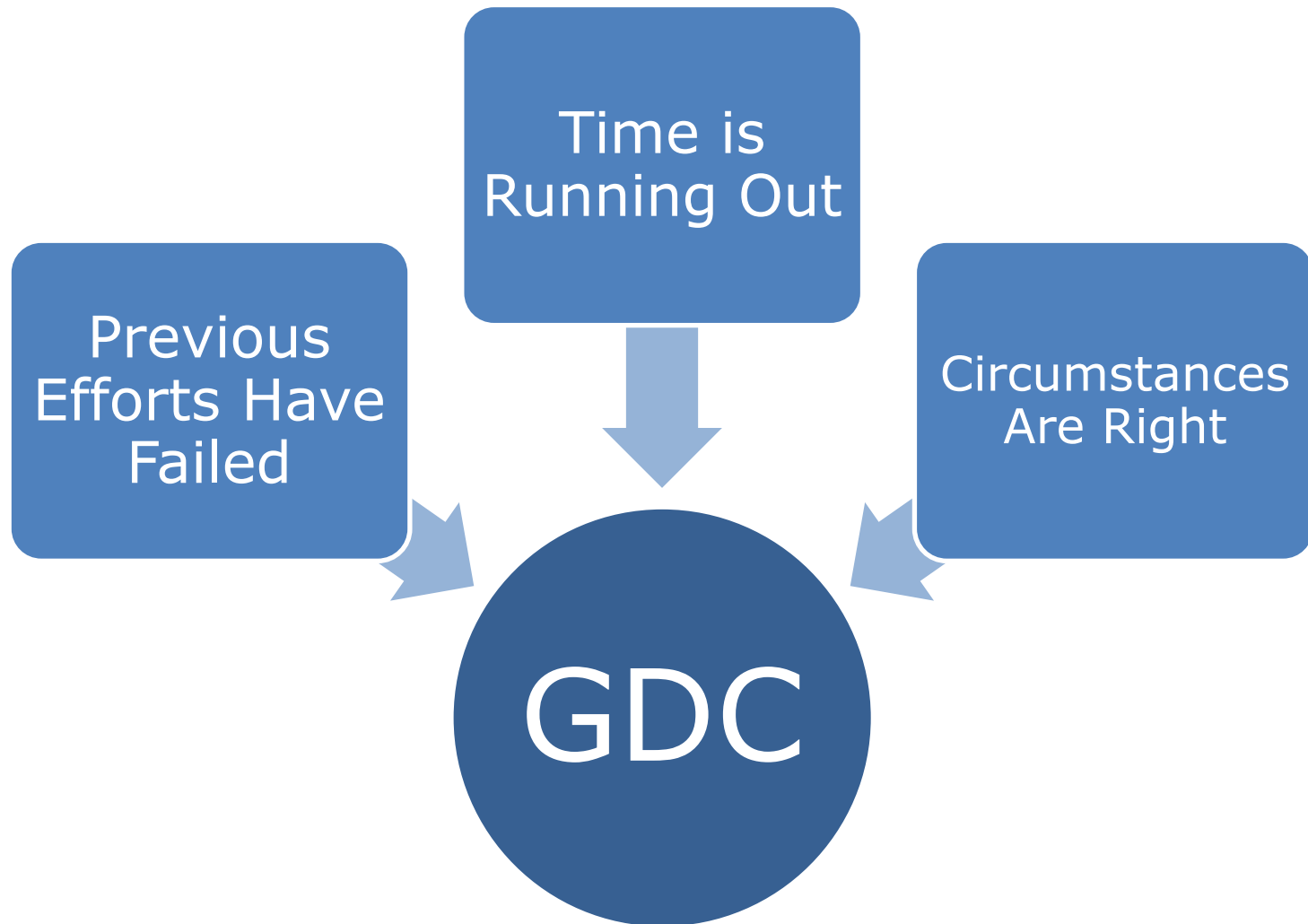


Summons Process

What happens AFTER the Summons date?



When GDC is the best Next Step



How are the taxpayers selected?

Amount due

- Higher dollar accounts first

Years delinquent

- "Next-to-fall-off" tax years

Recommendations from Collections Dept. or Locality

Collection history of the account

- Letters, phone calls, dried up lien sources, no response to summons, etc.

What can be brought in GDC?

General District Court

Accounts with a TPI balance of \$25,000 or less.

Circuit Court

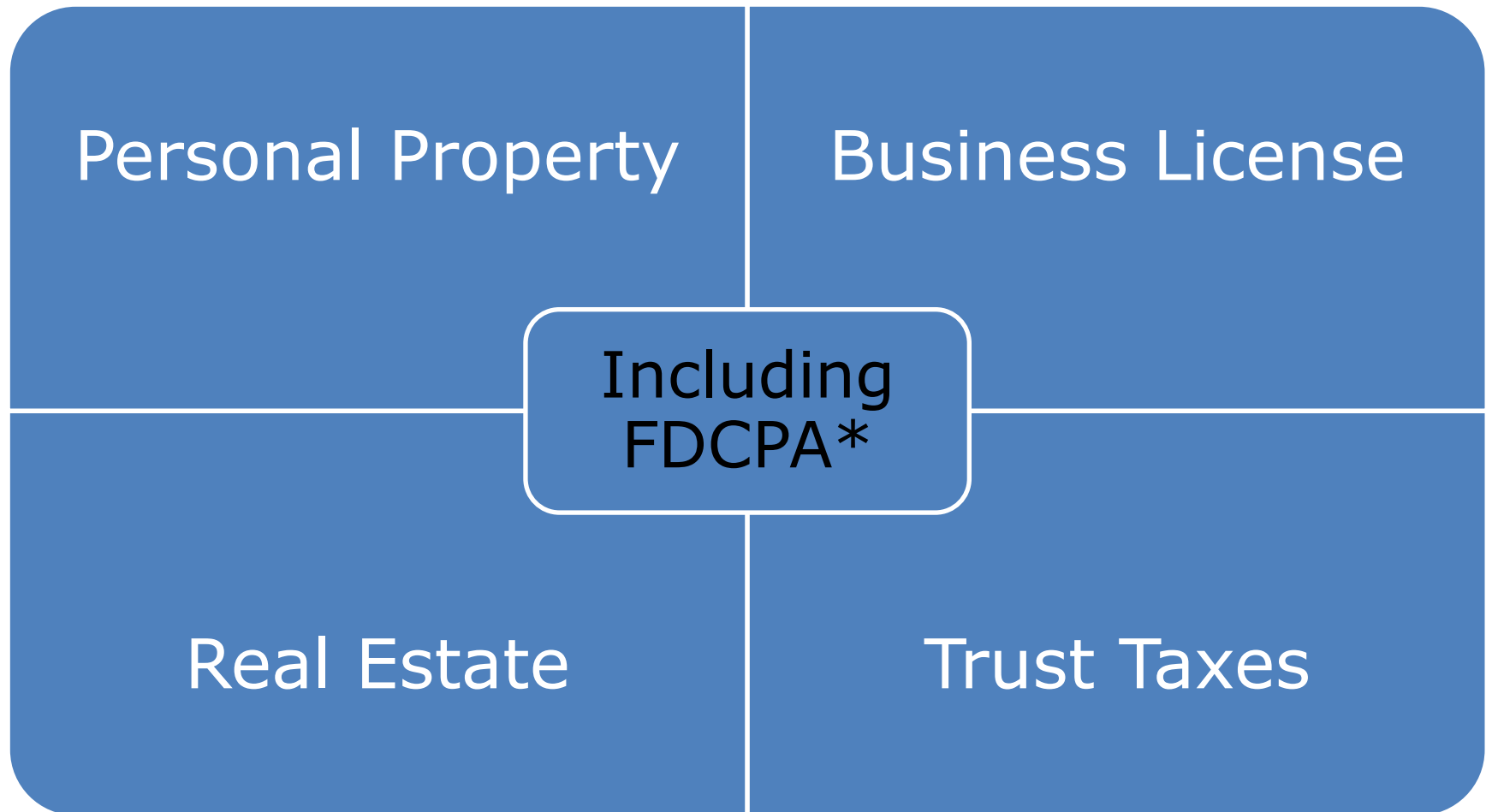
Accounts greater than \$4,500 *may* be brought in Circuit Court.

Accounts with a balance less than \$4,500 *must* be brought in GDC.

Accounts greater than \$25,000 *must* be brought in Circuit Court.

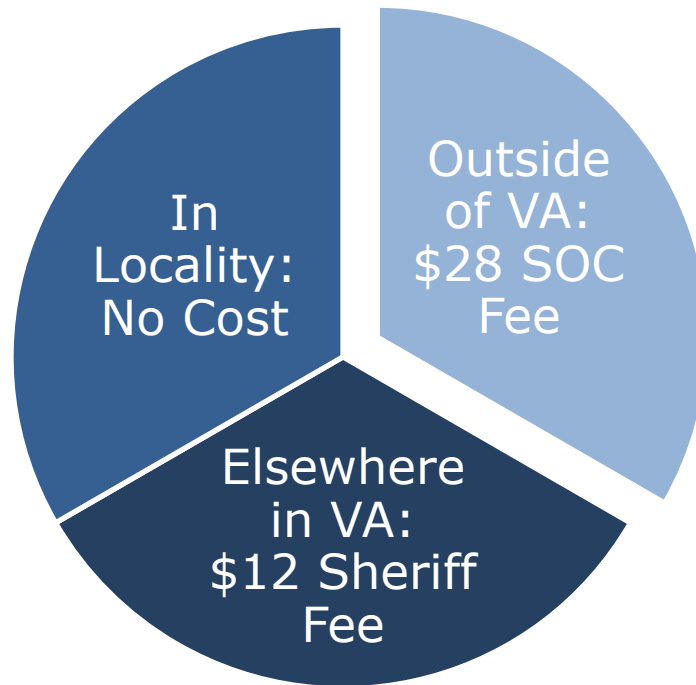
GDC Process

Types of Accounts



GDC Process

Costs Involved



NOTE: you will be invoiced for any costs incurred for service of process. However, we add these charges to our system, recoup them from the taxpayer, and remit them first from any money paid.

GDC Process

What happens BETWEEN Filing and the Return Date?

Warrants-in-Debt are Served and Mailed

Taxpayer Response

Other/No Response



Resolution of Account?

Payment/Dispute

New Info/Address



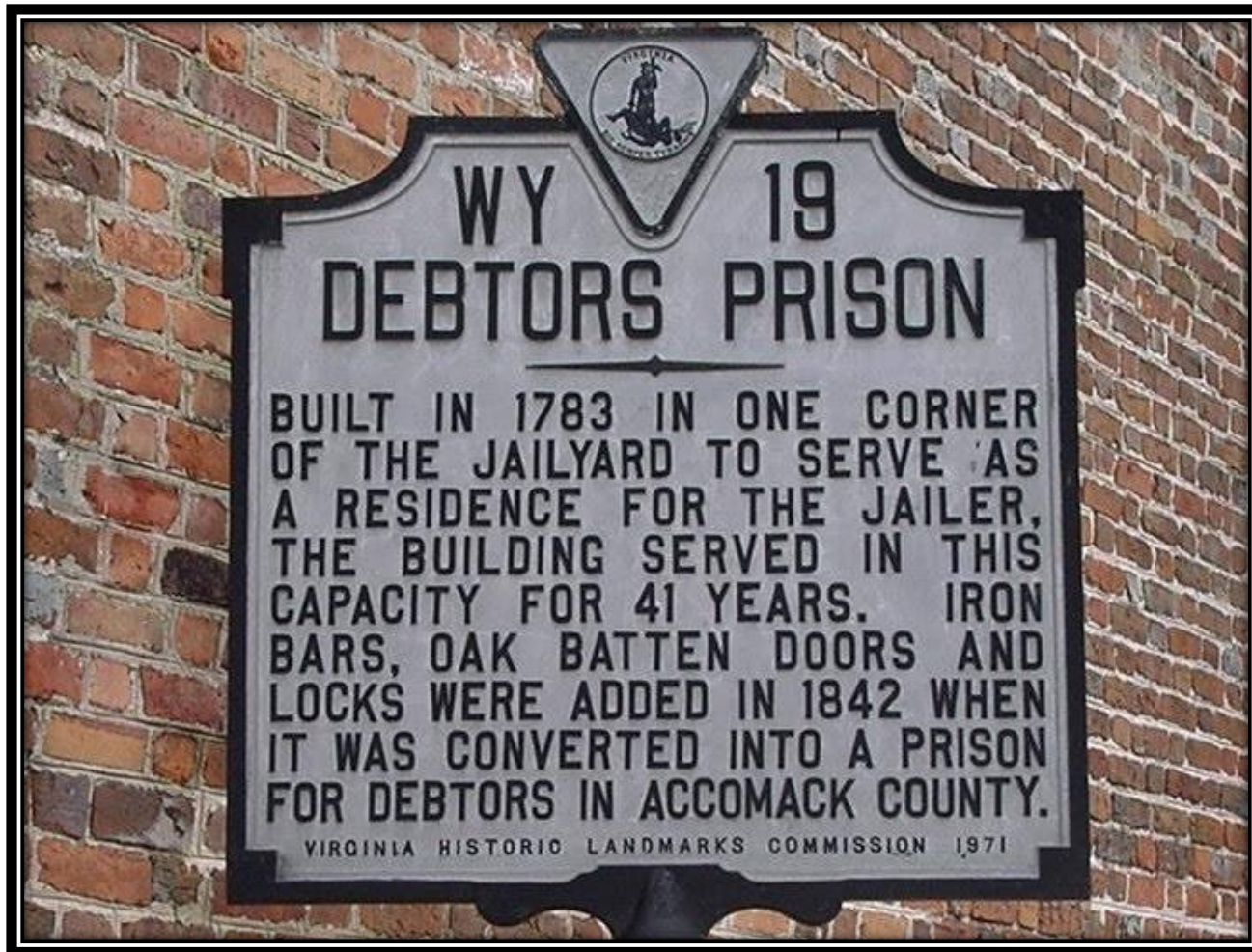
Continuance/Nonsuit vs. Required to Appear

Fully/Mostly Resolved

No Contact or Resolution

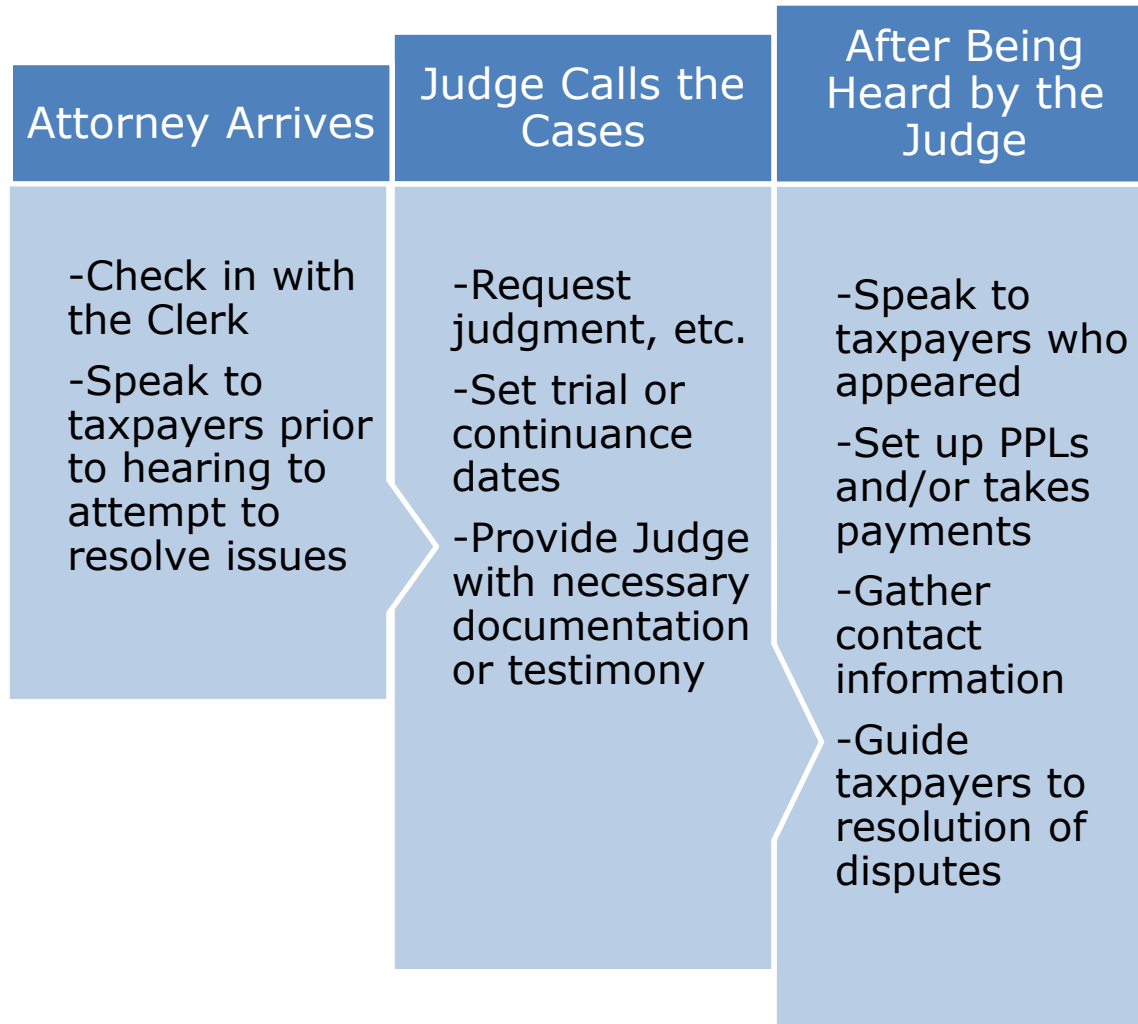
GDC Process

What happens ON the GDC Return Date?



GDC Process

What happens ON the GDC Return Date?



GDC Process

Possible GDC Return Date Outcomes

Judgment Was Taken

- Docket Judgment with Circuit Court
- Notify taxpayer of judgment and continue collection efforts

Case Was Continued

- If sufficient payment efforts were made
- To allow taxpayer time to gather documentation and dispute with the Locality

Case Was Nonsuited

- If account is sufficiently resolved
- If abated or withdrawn by the Locality
- If bankruptcy is filed

Service Was Not Found/Returned

- "Not Found" – skip trace and re-issue
- "No Service Return" – continue the case for a service return

A Trial Was Set

- Notify Locality of dates
- File pleadings with the Court
- Prepare witnesses from the Locality

What's involved with a Trial?

Pre-Trial

- Bill of Particulars
- Grounds of Defense
- Witness Preparation

During Trial

- Locality presents its case
- Defendant presents their case
- Judge may ask questions

Post-Trial

- If Judgment for Locality – attempt to collect debt
- If Judgment for Defendant – abide by Court Order/consider an appeal
- If a Mixed Outcome – analyze the circumstances/discuss options

What exactly IS a Judgment?

WARRANT IN DEBT (CIVIL CLAIM FOR MONEY)
Commonwealth of Virginia VA CODE §16.1-79

Louisa General District Court
City or County
314 W Main Street Louisa, VA 23093
Street Address of Court

TO ANY AUTHORIZED OFFICER: You are hereby commanded to summon the Defendant(s).
TO THE DEFENDANT(S): You are summoned to appear before this Court at the above address on
7/19/2019 at 12:30 PM to answer the Plaintiff(s)' civil claim (see below)
Return Date and Time

5-4-2019
Date Issued

Dianna Holden
[] CLERK [X] DEPUTY CLERK [] MAGISTRATE

CLAIM: Plaintiff(s) claim that the Defendant(s) owe Plaintiff(s) a debt in the sum of
\$697.59 net of any credits, with interest at 10% from May 2, 2019 until paid, \$ 0.00 costs, \$149.05
attorney's fees and accumulated interest in the amount of \$ 70.26 with the basis of this claim being []
Open Account [] Contract [] Note [XX] Other (EXPLAIN)
Delinquent personal property taxes duly assessed and not paid.

HOMESTEAD EXEMPTION WAIVED? [] YES [] NO [X] cannot be demanded

May 2, 2019
Date

[Signature]
[] Plaintiff [X] Plaintiff's Attorney [] Plaintiff's Employee/Agent

CASE DISPOSITION

JUDGMENT against [X] named Defendant(s) [] -----
For \$ 697.59 net of any credits, with interest at 10% from May 2, 2019 until
paid, \$ 0 costs, \$ 149.05 attorney's fees, and \$ 70.26
accumulated interest

HOMESTEAD EXEMPTION WAIVED? [] YES [] NO [X] CANNOT BE DEMANDED

[] JUDGMENT FOR [] NAMED DEFENDANT(S) [] -----
[] NON-SUIT [] DISMISSED -----

Defendant(s) Present? [] YES -----
[X] NO

7/19/19
Date

[Signature]
Judge

CASE NO. GVI19000012

LOUISA COUNTY
PLAINTIFF (LAST NAME, FIRST NAME, MIDDLE INITIAL)

1 WOOLFOLK AVENUE
LOUISA, VA 23093

V.

SPAYER, JACK
DEFENDANT (LAST NAME, FIRST NAME, MIDDLE INITIAL)

123 HENRY WASH WAY
LOUISA, VA 23093

HEARING DATE
AND TIME
7/19/2019 12:30 PM

WARRANT IN DEBT

TO DEFENDANT: You are not required to appear; however, if you fail to appear, judgment may be entered against you. See the additional notice on the reverse about requesting a change of trial location.
[] To dispute this claim, you must appear on the return date to try this case.
[X] To dispute this claim, you must appear on the return date for the judge to set another date for trial.

Bill of Particulars
ORDERED DUE

Grounds of Defense
ORDERED DUE

ATTORNEY FOR PLAINTIFF(S)
Andrew M. Neville, Esq. VSB# 86372
Taxing Authority Consulting Services, PC.
PO Box 31800, Henrico, Virginia 23294
P: (804) 545-2500 F: (804) 545-2342

ATTORNEY FOR DEFENDANT(S)
.....
.....

JUDGMENT PAID
OR SATISFIED
PURSUANT TO
ATTACHED
NOTICE OF
SATISFACTION

DATE

CLERK

**DISABILITY
ACCOMODATIONS**
For loss of hearing, vision,
mobility, etc., contact the
court ahead of time

What exactly IS a Judgment?

- A judgment is a piece of paper, with a Judge's signature
- For normal creditors, it allows for additional collection actions to be taken
- For Localities, its main purpose is to secure the debt and extend the Statute of Limitations
- Actually, collecting the money is much more valuable

What does docketing do?

- Once a Judgment is received in General District Court, we docket an abstract of the judgment with the Circuit Court. That judgment becomes a lien on any real property owned by the judgment debtor within the locality in which it is docketed.



What if the judgment debtor later pays?

- Once the judgment is paid, we file a Notice of Satisfaction with both the General District Court, and the Circuit Court.
- Occasionally a Locality will receive an inquiry about a docketed judgment (typically when the judgment debtor is trying to sell their house – sometimes years down the road).
- If we received the judgment for you, we will handle filing the Notices of Satisfaction.

Reporting/Flagging Judgments

- You will receive a report from our office at least twice a year showing the judgments that have been granted.
- It is important to flag these accounts as judgment in your system, even if you cannot keep the balance active.
- If a taxpayer calls in to your office asking for the amount due, we hope that there will be a flag in your system even if there is no balance due that appears. You can direct these calls to our office, and we can give them the balance due for what has been referred to us for collection including any judgment amounts.

Legal Department Duties

Site Visits

Distress Levies

Show Causes

General District Court

Circuit Court

Summons to Answer Interrogatories



The Legal Department

Special Procedures Collections
Actions

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