# Analysis of Suggestions for Improvement as part of the FY 2010 County's Line of Business & Schools Program Review Processes Fall 2008

**Request By:** Public

**Suggestion:** Provide electronic billing for Personal Property and Real Estate tax bills.

**Response By:** Department of Tax Administration/Department of Information Technology

**Background:** The Department of Tax Administration (DTA) currently mails all tax bills by first class mail, making use of bulk mailing and zip code pre-sorted mailing discounts. An exception to this practice are approximately two-thirds of all residential real estate bills which are electronically transmitted via a "mass pay" computer billing file to mortgage companies. Fleet vehicles are also billed electronically to certain leasing companies.

**Recommendation:**

The County is in the process of pursuing implementation of this suggestion. Electronic billing for Personal Property and Real Estate bills is allowed by state law, specifically Code of Virginia, Section 58.1-3912(F). However, while expansion beyond what the County currently bills electronically is legal, some issues that ensure operational integrity and compliance need to be resolved before it can be launched. The County's Department of Information Technology (DIT) has been working with an IT solution vendor to determine the final design of secure customer profile-based portal access to County records, so that specific account records can be appropriately accessed. DIT has determined that this industry standard technology, which includes a secure identity management capability, is in line with the County's IT Security requirements and state privacy requirements, and is a prerequisite to offering electronic billing on a mass basis.

In order to implement this concept, the County must receive written authorization and electronic billing address information from the taxpayer (such as e-mail address); store the taxpayer's electronic billing address; and maintain an electronic copy of the bill, to include a transmission date. Although most taxpayers can already access online the amount of their unpaid real estate and personal property bills, the County's computer system does not store and link an electronic billing address to this information. This linkage is required in order to automatically send this information electronically as part of a mass billing routine. Any interim process at this time would require costly manual intervention and would not be feasible to implement.

Staff believes this would be a beneficial program from a customer service standpoint, as well as for postage reduction. In FY 2008, DTA spent approximately $300,000 in postage to mail the current year bills for real estate and personal property taxes. Each 5 percent postage reduction based on a shift to electronic billing could save $15,000. Off-setting this amount would be any IT costs that might be incurred in partnering with the appropriate IT vendor. The County remains interested in and hopes to pursue this billing concept at such time as the technology infrastructure might be in place.