

Mr.Chairman, members of the sub-Committee, and Staff, Good Morning, I am Ray Ergenbright, Commissioner of the Revenue of the City of Staunton. I rise to speak to you on behalf of the Commissioners of the Revenue Association of Virginia.

Commissioners of the Revenue are very aware of many of the problems that exist with the current tax code. We struggle daily to interpret the intent of the General Assembly as we attempt to apply the law fairly and equitably. We recognize also that there is value in some of the complexity of the tax code. This complexity allows flexibility in the administration of the taxes we oversee and ensures that compromise is possible.

As you consider the testimony you receive and as you ultimately compile your report for delivery to the Virginia Code Commission, the Governor, and the 2003 Session of the General Assembly, we ask that you consider an expanded role for commissioners of the revenue in the administration of all taxes that have a local component. Our role could also be expanded to any other taxes or government services that in so doing, would offer convenience and face-to-face contact to the taxpayer.

We have all heard political campaign ads in which one candidate accuses the other of “never seeing a tax he/she didn’t like.” As local tax assessors, we assure you that the citizens of Virginia have never seen a tax that everyone liked. It is an unfortunate fact that a fair tax system is often complex by its nature. Efforts to simplify the administration of the taxes most often result in some taxpayers paying more and some paying less. Certainly we will hear, loudly, from those who pay more and those who pay less will be silent. As elected Constitutional Officers, we believe it is the Constitutional principle of fairness and equity that must prevail in your deliberations.

One of the complaints we are sure that you have heard is that there is a lack of uniformity between jurisdictions in the administration of local taxes. But if you look at the economic, geographical, and demographic diversity of our state, one may expect some lack in uniformity. Not to the degree that currently exists, but a cookie cutter approach to tax administration may not serve Virginia citizens as well as supporters might think.

Ironically, as Constitutional Officers, we have the responsibility to administer a difficult tax code, yet our budgets are void of fiscal resources to expand our knowledge or to build a uniform tax administration software package. Many of the smaller localities

disallow funding for critical training for commissioners of the revenue or members of their staff. The Compensation Board is not allocated enough financial resources to fund sufficient technical or tactical training to ensure that we have the highest degree of proficiency. That fact has not meant that education and training have been ignored.

The Commissioners of the Revenue Association of Virginia, in conjunction with the Weldon Cooper Center for Public Service and the State Compensation Board, have developed an educational program that will ensure that uniformity will naturally evolve as we consistently train our elected officers. This educational program resulted from our reaction to suggestions by the Manufacturers Association, the Virginia Chamber of Commerce, and members of the General Assembly that improvements in tax administration could be made. The training program is currently being funded by the locality, or in some cases, the officer's personal funds. Our members would welcome a commitment by the General Assembly to ensure that we receive the training we need.

Our presentation today is also to make you aware that on September 22, twenty-seven commissioners of the revenue gathered in Richmond for Summit 2001. With the help of Dr. Robert de Voursney of the Weldon Cooper Center, we tried to envision what the commissioner of the revenue of 2010 would look like. We then established our vision of what commissioners of the revenue **should** look like in the year 2010.

To ensure the commissioner of the revenue we envision, our Association has established five major areas of work, Communications, Uniformity, Training, Expansion of Duties, and Use of Technology. Within these five major areas we have established action steps that will lead us to our vision.

Why is this important in you in your deliberation? We feel that commissioners of the revenue are an underutilized resource for the devolution of the provision of traditional state services. Through the use of technology, and with proper training, commissioners of the revenue can deliver state services with a higher degree of accessibility than is possible in a centralized environment. The Commissioners of the Revenue of Virginia stand ready, willing, and able to provide technical expertise as you move forward with you discussions and we are prepared to assist you in developing a more efficient government; one that has a fair and equitable tax system and one that is accessible, on a daily basis, to the citizens of Virginia.

Thomas Jefferson is often quoted, and in some peoples mind, over quoted. But in this case we feel his words are most appropriate.

*"The way to have good and safe government is not to trust it all to one, but divide it among the many, distributing to everyone exactly the function he is competent to. Let the national government be entrusted with the defense of the nation and its foreign and federal relations; the state governments with the civil rights, laws, police and administration of what concerns the state generally; the counties with the local concerns of the counties; and each ward direct the interests within itself. It is by dividing and subdividing these republics from the great national one down through all its subordinations until it ends in the administration of every man's farm by himself, by placing under everyone what his own eye may superintend, that all will be done for the best."*

--Thomas Jefferson

(Information source: <http://www.geocities.com/Athens/Troy/5534/main.html>)

One more quote from a fellow Virginian who served as the 4<sup>th</sup> President of the United States.

*"The aim of every political constitution is, or ought to be, first to obtain for rulers men who possess most wisdom to discern, and most virtue to pursue, the common good of the society; and in the next place, to take the most effectual precautions for keeping them virtuous whilst they continue to hold their public trust."*

--James Madison, [Federalist #57](#)

(Information Source: <http://www.geocities.com/Athens/Troy/5534/main.html>)

We feel the Constitutional Officer form of Government provides citizens the most accessible form of representation; thereby the form most answerable to the people.

Thank you for allowing me to address you today on behalf of the Commissioner of the Revenue of Virginia.

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