

# HENDERSON COUNTY TAX COLLECTOR

200 NORTH GROVE STREET, SUITE 66

HENDERSONVILLE, NC 28792

PH: (828) 697-5595

FAX: (828) 697-4652

*Terry F. Lyda  
Tax Collector*

July 31, 2006

Henderson County Board of  
Commissioners  
100 N. King Street  
Hendersonville, NC 28792

RE: Tax Collector's Settlement: FY 05-06

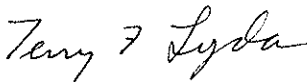
Dear Henderson County Commissioners:

Attached please find the Preliminary Report for FY 05-06 along with the Settlement for Current-Year taxes and Delinquent Taxes. A list of all unpaid tax liens is available for your review in the Office of the Clerk to the Board.

I am happy to report that as of the close of FY 05-06, our office collected 98.16% of the annual tax bills and we have collected 87.03% of the motor vehicle tax bills. Our collection percentages remain well above the last reported state average of 97.04%.

Thank you for the opportunity to be of service to you.

Respectfully submitted,



Terry F. Lyda  
Tax Collector

:dbb

Attachment

## PRELIMINARY REPORT FOR FISCAL YEAR 2005-06

TO: Henderson County Board of Commissioners  
FROM: Terry F. Lyda, Tax Collector  
DATE: July 31, 2006

In accordance with N.C.G.S. 105-375(a)(1), I respectfully submit the following Report:

Attached to this Report is (1) a list of the persons owning real property whose taxes for 2005 remain unpaid, along with the principal amount owed by each person; and (2) a list of the persons not owning real property whose personal property taxes for 2005 remain unpaid, along with the principal amount owed by each person.

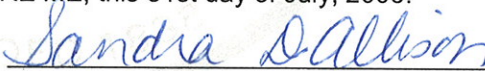
In compliance with N.C.G.S. 105-373(a)(3), attached hereto is a Report entitled "Settlement for Current Taxes for Fiscal Year 2005-06" dated July 31, 2006 setting forth my full settlement for all taxes in my hands for collection for the fiscal year 2005-06.

Further, I hereby certify that I have made diligent efforts to collect the taxes due from the persons listed in such a manner that is reasonably necessary.

Respectfully submitted,

  
Terry F. Lyda, Tax Collector

SWORN TO AND SUBSCRIBED BEFORE ME, this 31st day of July, 2006.

  
Notary Public

My Commission expires:

10-29-2007

# SETTLEMENT FOR CURRENT TAXES: FY 05-06

## CHARGES TO THE TAX COLLECTOR:

Total amount of all taxes placed in the Tax Collector's hands for collection for the year:	Tax & Penalty	Interest
G01 General County	47,982,987.40	126,506.95
<b>Total General County</b>		
<u>Fire Districts:</u>		
F15 Bat Cave	52,008.90	204.41
F01 Blue Ridge	684,319.88	2,281.30
F09 Dana	311,245.51	1,188.54
F03 Edneyville	415,852.44	1,823.32
F04 Etowah-Horse Shoe	662,532.77	1,749.54
F05 Fletcher	515,913.88	1,334.56
F11 Gerton	52,375.82	122.85
F06 Green River	229,495.40	864.11
F08 Mills River	54,018.32	260.23
F07 Mountain Home	1,011,540.93	2,265.55
F12 Raven Rock	106,408.26	413.37
F02 Valley Hill	849,736.34	1,746.11
F14 Valley Hill No. 2	92,606.39	314.51
<b>Total Fire Districts</b>	<b>5,038,054.84</b>	<b>14,568.40</b>
<u>Municipal Districts:</u>		
C01 City of Hendersonville	374,657.93	1,522.85
C02 Town of Laurel Park	60,847.67	160.44
C03 City of Saluda	500.45	0.22
C04 Town of Fletcher	149,652.02	509.60
C50 Village of Flat Rock 51	10,813.89	10.83
Village of Flat Rock 52	7,113.44	7.19
Village of Flat Rock 56	2,062.75	1.25
C60 Town of Mills River	44,122.41	166.05
<b>Total Municipal Districts</b>	<b>649,770.56</b>	<b>2,378.43</b>
<b>SUBTOTAL</b>	<b>\$53,670,812.80</b>	<b>\$143,453.78</b>

**TOTAL CHARGE TO TAX COLLECTOR** \$53,814,266.58

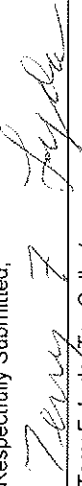
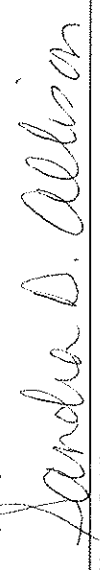
**CREDITS TO THE TAX COLLECTOR:**

	Deposits	Rebates	Writeoffs	Interest	Outstanding Tax / Liens against Property	Outstanding Tax / Liens against Personal Property
All sums deposited by the Tax Collector to the credit of the Taxing Unit:						
G01 General County	45,890,116.17	716,680.56	629.99	126,506.95	806,488.40	569,691.67
<b>Total General County</b>						
<u>Fire Districts:</u>						
F15 Bat Cave	50,238.11	120.30	0.30	204.41	1,648.10	0.00
F01 Blue Ridge	637,875.27	15,376.12	5.60	2,281.30	30,986.13	0.00
F09 Dana	295,122.45	1,333.87	2.28	1,188.54	14,786.13	0.00
F03 Edneyville	387,152.96	5,973.48	5.11	1,823.32	22,712.11	0.00
F04 Etowah-Horse Shoe	643,586.18	2,916.64	5.22	1,749.54	15,992.72	0.00
F05 Fletcher	496,837.45	2,955.15	4.95	1,334.56	16,096.07	0.00
F11 Gerton	50,271.22	119.53	0.45	122.85	1,984.62	0.00
F06 Green River	217,525.36	1,194.79	2.34	864.11	10,646.37	0.00
F08 Mills River	51,283.71	1,243.10	1.92	260.23	1,480.13	0.00
F07 Mountain Home	981,193.73	3,597.38	4.43	2,265.55	26,721.03	0.00
F12 Raven Rock	102,720.75	1,361.94	1.26	413.37	2,306.31	0.00
F02 Valley Hill	826,726.25	3,602.21	4.19	1,746.11	19,356.35	0.00
F14 Valley Hill No. 2	90,022.13	290.72	0.73	314.51	2,292.81	0.00
<b>Total Fire Districts</b>	<b>4,830,555.57</b>	<b>40,085.23</b>	<b>38.78</b>	<b>14,568.40</b>	<b>167,008.88</b>	<b>0.00</b>
<u>Municipal Districts:</u>						
C01 City of Hendersonville	305,253.12	13,256.13	4.30	1,522.85		55,968.37
C02 Town of Laurel Park	53,878.64	3,136.11	0.00	160.44		3,799.01
C03 City of Saluda	500.45	0.00	0.00	0.22		0.00
C04 Town of Fletcher	127,907.01	3,418.22	4.32	509.60		18,283.18
C50 Village of Flat Rock 51	10,001.61	147.21	0.27	10.83		664.80
Village of Flat Rock 52	6,699.46	69.55	0.27	7.19		344.16
Village of Flat Rock 56	1,874.36	132.72	0.00	1.25		55.67
C60 Town of Mills River	37,868.80	880.40	1.20	166.05		5,368.21
<b>Total Municipal Districts</b>	<b>543,983.45</b>	<b>21,040.34</b>	<b>10.36</b>	<b>2,378.43</b>	<b>0.00</b>	<b>84,483.40</b>
<b>TOTAL</b>	<b>\$51,264,655.19</b>	<b>\$777,806.13</b>	<b>\$679.13</b>	<b>\$143,453.78</b>	<b>\$973,497.28</b>	<b>\$654,175.07</b>

**TOTAL CREDITS TO TAX COLLECTOR: \$53,814,266.58**

SWORN TO AND SUBSCRIBED BEFORE ME this 31 day of July, 2006.

My Commission expires: 6-29-2007

Respectfully Submitted,  
  
 Terry F. Lyda, Tax Collector  
  
 Sandra D. Allison  
 Notary Public

# FY 05-06 Delinquent Property Tax Collections

PRIOR YEARS (1994-2004) TAX COLLECTED FOR GENERAL COUNTY:

TAX YEAR	TOTAL COUNTY LEVY CREDIT (Tax + Late List Penalties - Rebates and Releases)		ACCRUED INTEREST COLLECTED + COSTS COLLECTED		TOTAL COUNTY CASH COLLECTED (Includes Tax, Penalties, Interest & Costs)		YEAR END COUNTY LEVY DUE		YEAR END COLLECTION PERCENTAGE	
	Regular	Deferred	Regular	Deferred	Regular	Deferred	Regular	Deferred	Regular	Deferred
2004	375,350.91	16,310.50	48,935.29	5,056.48	381,206.84	21,261.05	182,813.86	3,990.49	99.53	91.31
2003	42,466.76	0.00	11,459.49	0.00	26,122.74	0.00	119,616.99	0.00	99.68	100.00
2002	24,353.72	0.00	6,066.02	1.02	28,245.71	1.02	113,456.12	15.00	99.66	99.95
2001	17,502.16	0.00	8,949.93	0.00	22,225.73	0.00	83,242.08	0.00	99.74	100.00
2000	6,844.70	0.00	3,343.65	0.00	8,977.06	0.00	84,324.99	0.00	99.73	100.00
1999	4,941.90	0.00	2,515.24	0.00	6,218.98	0.00	75,885.03	0.00	99.75	100.00
1998	3,742.78	0.00	2,562.98	0.00	5,876.16	0.00	88,097.07	0.00	99.68	100.00
1997	6,415.55	0.00	2,452.83	0.00	7,764.67	0.00	54,301.88	0.00	99.78	100.00
1996/ PRIOR	7,102.37	0.00	5,674.97	0.00	12,083.63	0.00	209,489.18	0.00	99.74	100.00
<b>TOTAL:</b>	<b>488,720.85</b>	<b>16,310.50</b>	<b>89,259.79</b>	<b>5,057.50</b>	<b>498,721.52</b>	<b>21,262.07</b>	<b>1,011,227.20</b>	<b>4,005.49</b>	<b>1,112,133.22</b>	

PRIOR YEARS (1994-2004) TAX COLLECTED FOR MUNICIPALITIES:

MUNICIPALITY	TOTAL CITY LEVY CREDIT (Tax + Late List Penalties - Rebates and Releases)		ACCRUED INTEREST COLLECTED + COSTS COLLECTED		TOTAL CITY CASH COLLECTED (includes Tax, Penalties, Interest & Costs)		YEAR END CITY LEVY DUE		YEAR END COLLECTION PERCENTAGE	
	Regular	Deferred	Regular	Deferred	Regular	Deferred	Regular	Deferred	Regular	Deferred
Hendersonville	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Laurel Park	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Saluda	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Fletcher	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Flat Rock 51	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Flat Rock 52	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Flat Rock 56	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Mills River	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
<b>TOTAL:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,090.42</b>	<b>97.31</b>

PRIOR YEARS (1994-2004) TAX COLLECTED FOR FIRE DISTRICTS:

FIRE DISTRICT	TOTAL SPECIAL DISTRICT LEVY CREDIT (Tax + Late List Penalties - Rebates and Releases)		ACCRUED INTEREST COLLECTED + COSTS COLLECTED		TOTAL SPECIAL DISTRICT CASH COLLECTED (includes Tax, Penalties, Interest & Costs)	YEAR END SPECIAL DISTRICT LEVY DUE	YEAR END COLLECTION PERCENTAGE
	Regular	Deferred DMV	Total	Total			
Bat Cave	1,227.56	27.00	456.63	222.85	1,934.04	1,038.34	99.72
Blue Ridge	4,553.94	20.43	13,385.87	3,790.44	22,001.37	58,224.95	99.25
Dana	4,478.38	87.00	6,088.22	1,346.23	12,005.71	25,952.57	98.90
Edneyville	9,599.11	303.30	8,378.40	3,028.97	21,341.83	39,616.33	98.76
Etowah/HS	5,767.39	104.11	5,871.94	1,642.55	13,387.30	20,022.92	99.53
Fletcher	6,447.42	5.09	6,066.73	1,740.02	14,261.60	27,541.16	99.35
Gerton	290.62	0.00	341.96	72.90	705.48	965.78	99.75
Green River	2,728.19	7.08	3,283.34	822.73	6,845.88	13,796.52	99.33
Mills River	-34,053.19	3.77	1,933.12	644.21	-31,449.88	16,081.17	99.38
Mtn Home	10,659.87	197.51	10,443.73	2,757.79	24,069.84	33,736.43	99.53
Raven Rock	1,035.43	0.00	780.61	188.79	2,004.83	2,113.33	99.66
Valley Hill	7,785.65	0.00	7,429.60	2,349.79	17,565.92	22,578.69	99.73
Valley Hill #2	926.45	401.04	959.56	311.06	2,598.11	3,151.64	99.50
<b>TOTAL:</b>	<b>21,446.82</b>	<b>1,156.33</b>	<b>65,419.71</b>	<b>0.00</b>	<b>0.00</b>	<b>264,819.83</b>	<b>99.40</b>

TOTAL PROPERTY TAX COLLECTED FOR YEARS 1994-2004:

	TOTAL LEVY CREDIT (Tax + Late List Penalties - Rebates and Releases)		ACCRUED INTEREST COLLECTED + COSTS COLLECTED	TOTAL CASH COLLECTED (includes Tax, Penalties, Interest & Costs)	YEAR END LEVY DUE	YEAR END COLLECTION PERCENTAGE	
	Regular	Deferred DMV				Regular	Deferred DMV
General County	985,217.90		159,611.41	1,040,773.73	2,127,365.91	99.70	98.85
Municipalities	57,751.13		7,693.61	62,461.58	179,163.97		
Fire Districts	88,022.86		18,918.33	107,272.03	264,819.83		99.40
<b>TOTAL:</b>	<b>1,130,991.89</b>		<b>186,223.35</b>	<b>1,210,507.34</b>	<b>2,574,349.71</b>		

Notes:

- (1) Differences in the sum of Levy Credit + Accrued Interest and Total Cash Collected is attributable to Rebates (aka Releases) and Refunds
- (2) The Year End Levy Due columns include amounts due for years prior to 1994 which are legally unenforceable.
- (3) With regard to Fire District entries, REG, DEF and DMV breakdowns on accrued interest and collection percentages were not available due to the formatting of the Special District Collection report

Respectfully Submitted,

*Terry F. Lyda*  
Terry F. Lyda, Tax Collector

SWORN TO AND SUBSCRIBED BEFORE ME this 31 day of July, 2006.

*Andra D Allson*  
Notary Public

My Commission expires: 6-29-2007

# HENDERSON COUNTY TAX COLLECTOR

200 NORTH GROVE STREET, SUITE 66

HENDERSONVILLE, NC 28792

PH: (828) 697-5595

FAX: (828) 697-4652

*Terry F. Lyda  
Tax Collector*

July 31, 2006

Henderson County Board of  
Commissioners  
100 N. King Street  
Hendersonville, NC 28792

**RE: FY 05-06 Progress Report regarding Delinquent Property Tax Collections and  
Report on Efforts to Collect Delinquent Taxes**

Dear Henderson County Commissioners:

We are now in the seventh year of the delinquent tax collection project and would like to take this opportunity to report our progress.

Since the inception of the project in October of 1999, we have collected \$9,038,629.23, in delinquent tax, including interest. Of this amount, \$1,210,507.34 was collected during FY 05-06. At the close of this fiscal year, we have collected 99.70% of our prior-year annual tax bills (real estate and listed personal property) and 97.30% of our prior-year motor vehicle tax.<sup>1</sup>

The responsibilities of the Delinquent Tax Collections staff include the monitoring and administration of legal remedies used to collect delinquent tax. We have made a great deal of progress this year through the use of these remedies and are pleased to provide detailed information depicting this years achievements:

In Rem Foreclosures (pursuant to NCGS 105-375). 81.55% of Henderson County's tax base is attributable to real estate and improvements thereon.<sup>2</sup> It stands to reason, therefore, that Henderson County act assertively to preserve this revenue, and our foreclosure program serves to achieve this objective. Henderson County is one of few North Carolina counties that administer tax foreclosures from start to finish without the assistance of outside attorneys. We feel that this system increases efficiency and equates to minimal cost passed on to the taxpayers, who may already be financially distressed.

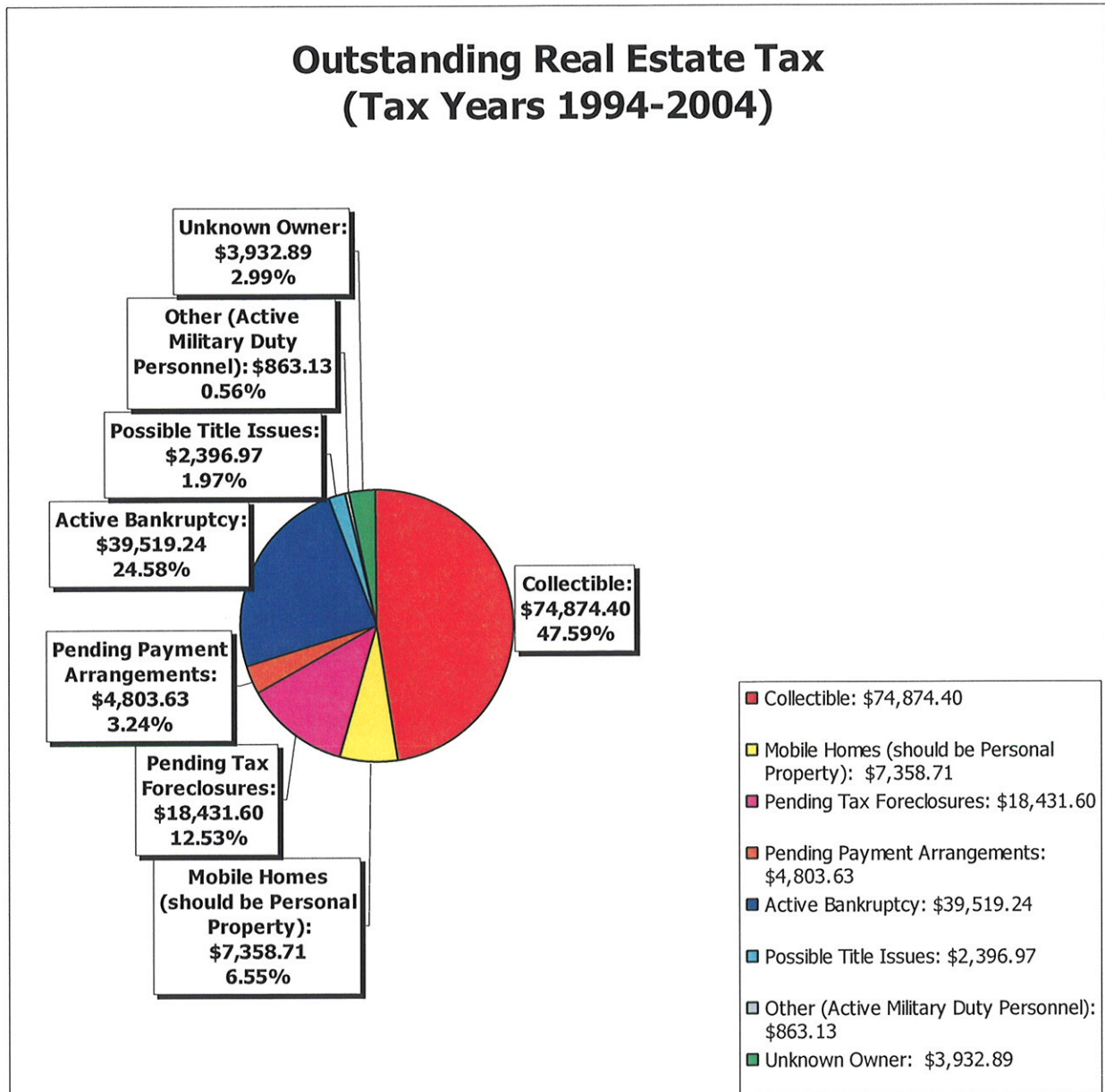
Henderson County traditionally holds a real estate tax auction once a year, and currently there are 39 properties scheduled to be auctioned sometime this fall. Prior to instituting a tax foreclosure, the statutes requires us to first conduct a title examination of the subject property and send notices via certified mail to all persons having an interest in the property. In addition to the statutory requirements to which we are bound, we attempt to make telephone contact with the taxpayer and in

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<sup>1</sup> NCPTS Monthly County Collection Report for period 7/1/2005-6/30/2006

<sup>2</sup> 2006 Tax Base figures as compiled by the Henderson County Assessor

some cases, personally visit the taxpayer and/or the subject property. Additionally, we send pre-foreclosure notices to taxpayers as well as all mortgage holders as disclosed by the title examination. We have made remarkable progress during FY 05-06 relative to real property collections. The following chart provides a breakdown of the outstanding real property tax bills for years 1994–2004. In short, the total collectible real estate tax bills for 1994–2004 amounts to \$74,874.40.<sup>3</sup>



Garnishments and Attachments pursuant to NCGS 105-368). 248 bank account garnishments totaling \$145,939.30 were completed during FY 05-06.<sup>4</sup>

<sup>3</sup> Text file of all unpaid annual tax bills as provided by the Henderson County IT Department

<sup>4</sup> NCPTS Legal Action report for period 7/1/2005 – 6/30/2006

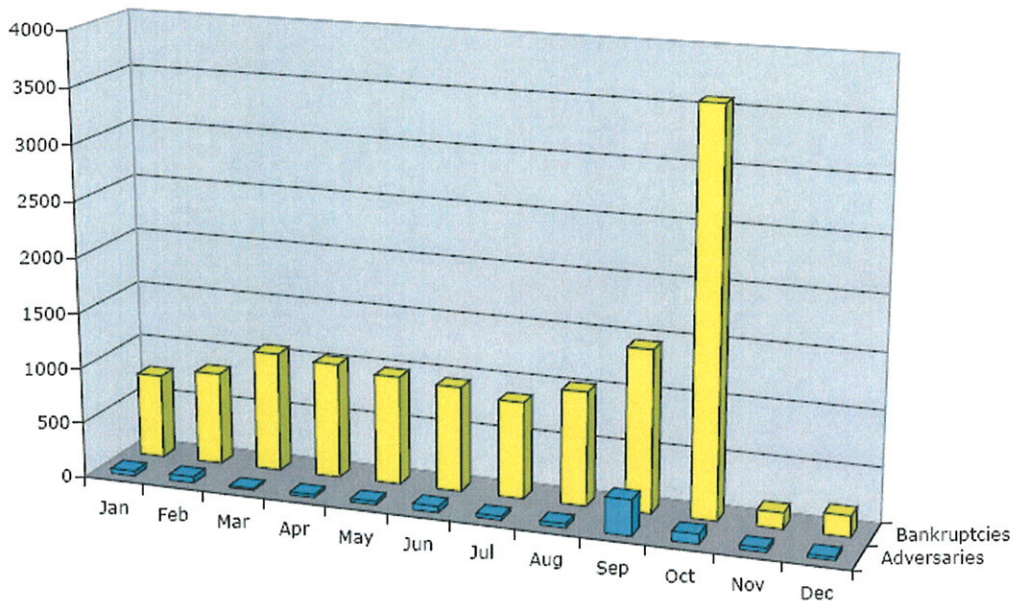


NC Debt Setoff Program (pursuant to NCGS Chapter 105A). The North Carolina Debt Setoff Program allows local government to collect outstanding debts by garnishing North Carolina state income tax refunds. Delinquent Tax Collections administers the Debt Setoff Program for the collection of property tax as well as debts owed to other county agencies. During FY 05-06, Henderson County collected \$3,034.18 through the use of Debt Setoff.<sup>5</sup>

Payment Arrangements. In most instances, taxpayers are permitted to make structured payments against outstanding tax liabilities according to a predetermined payment schedule. During FY 05-06, Delinquent Tax Collections entered into 133 payment agreements totaling \$126,085.63 in tax revenue.<sup>6</sup>

Bankruptcy. As part of an effective collection program, it is important to keep abreast of the statutes and procedural issues pertaining to bankruptcy. Proofs of Claim must be filed in a timely manner when appropriate and tax bills involved in an active bankruptcy case must be carefully monitored and segregated to avoid violation of the automatic stay imposed by the Bankruptcy Court. Presently, there are 1,260 tax bills amounting to \$145,830.06<sup>7</sup> that are involved in active bankruptcy cases. As depicted in the following chart of North Carolina Bankruptcy filings, during 2005, there were 12,897 cases filed in the North Carolina's Western District of which Henderson County is a part. Nearly 28% of these filings were during October, 2005, just before the Bankruptcy Abuse and Protection Act became effective on October 17, 2005.

**2005 Bankruptcy Filings**



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Adversaries	44	58	16	26	33	54	35	37	319	87	36	31
Bankruptcies	760	835	1079	1038	979	945	868	1023	1453	3585	145	187

<sup>5</sup> NC Debt Setoff Detail Report (as provided by FiveStar Computing) for period 7/1/2005 – 6/30/2006

<sup>6</sup> NCPTS Payment Arrangement Summary report for period 7/1/2005 – 6/30/2006

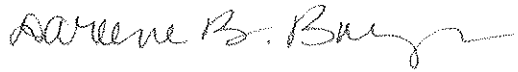
<sup>7</sup> Query of NCPTS data containing Bankruptcy flags as prepared by the IT Department

Our most difficult collections remain in the area of motor vehicle tax. The total prior-year (i.e., 1993-2004) sum of outstanding motor vehicle tax is \$1,112,133.22, which represents 52.28% of the total outstanding delinquent tax.<sup>8</sup>

In closing, the progress relating to delinquent tax collections has truly been a team effort based on hard work and solid dedication. In the coming year, we will strive to maintain our progress in real estate collections while at the same time shifting our primary focus to outstanding personal property tax, which consists mostly of mobile home tax and business personal property tax.

Thank you for the opportunity to be of service to you.

Respectfully submitted,



Darlene B. Burgess  
Deputy Tax Collector/Paralegal

:dbb  
Attachments

cc: Terry F. Lyda, Tax Collector  
Stan Duncan, County Assessor  
Carey McLelland, Finance Director

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<sup>8</sup> NCPTS Monthly County Collection report for period 7/1/2005 – 6/30/2006