

# REQUEST FOR BOARD ACTION

## HENDERSON COUNTY

### BOARD OF COMMISSIONERS

**MEETING DATE:** 18 April 2007

**SUBJECT:** Etowah Sewer Company -- Remission of tax penalties for discovered property

**ATTACHMENT(S):** Petition from Etowah Sewer Company

**SUMMARY OF REQUEST:**

The Etowah Sewer Company has requested remission of penalties on *ad valorem* property taxes on “discovered” property, as shown in the attached letter/petition.

Under N.C. Gen. Stat. §105-312(k), the Board has the following “power to compromise”:

**After a tax receipt computed and prepared as required by subsections (g) [computation of tax] and (h) [computation of penalty] of this section has been delivered and charged to the tax collector as prescribed in subsection (j), above, the board of county commissioners, upon the petition of the taxpayer, may compromise, settle, or adjust the county's claim for taxes arising therefrom. . . .**

Your assessor may wish to address this issue.

**BOARD ACTION REQUESTED:**

To determine whether to grant the remission of penalties for non-listing and non-payment of *ad valorem* property taxes on discovered property.

The following motion is suggested:

***I move that the Board [grant][deny] the request of Etowah Sewer Company for remission of penalties (but not interest or taxes due) on discovered property currently billed to them.***

**Etowah Sewer Company, Inc.**  
**P. O. Box 1659**  
**Etowah, NC 28729**

Mr. Steve Wyatt  
Henderson County Manager  
100 North King Street  
Hendersonville, NC 28792

PETITION  
December 11, 2006

BEFORE THE HENDERSON COUNTY COMMISSION  
BILL MOYER, CHAIRMAN

NOW COMES THE PETITIONER, THE ETOWAH SEWER COMPANY, INC.

**WHEREAS**, the Etowah Sewer Company is a privately owned public utility offering sewer service in the Etowah area of Henderson County, N.C.

**WHEREAS**, the Etowah Sewer Company pays property taxes to Henderson County on both real and personal property.

**WHEREAS**, because of the complicated nature of the personal property tax listing, the Etowah Sewer Company has requested the accounting firm of Lyman, Mullinax, and Weiss to prepare the company's personal property tax listing. The sewer company each year forwards the same to the Henderson County Tax Assessor.

**WHEREAS**, the assessed taxes have been paid for each of the proceeding years based on the real property appraisal and the personal property taxes based on the form prepared by the accounting firm.

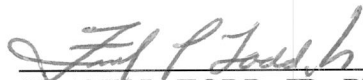
**WHEREAS**, it was determined this year that there existed additional property owned by the Etowah Sewer Company that was not listed on the personal property tax form. That said property was considered DISCOVERED PROPERTY, and a bill was prepared for the discovered property for the last several years. Said tax bill has been paid by the petitioner in full.

**WHEREAS**, said tax bill contained a substantial penalty.

**WHEREAS**, according to General Statutes 105-312 (J), the board of county commissioners, upon the petition of the taxpayer, may compromise, settle, or adjust the county's claim for the taxes.

**WHEREFORE:** the Etowah Sewer Company is most happy to pay the discovered taxes and all interest that is reasonable. However, the petitioner requests the Board to waive the substantial penalty. The petitioner does not know why the discovered property was not listed by the accounting firm, except for the fact that perhaps it could be argued that certain properties were not personal property, but, real property. The petitioner was attempting to insure that the correct amount of property taxes be paid by retaining the accounting firm. Nothing was done by any party to intentionally misrepresent the amount of taxes owed by the sewer utility to the County.

**RESPECTIVELY SUBMITTED, THIS THE 11<sup>TH</sup> DAY OF DECEMBER, 2006**



**FRANK L. TODD, JR., PRESIDENT,  
THE ETOWAH SEWER COMPANY, INC.**