

**REQUEST FOR BOARD ACTION**

**HENDERSON COUNTY  
BOARD OF COMMISSIONERS**

**MEETING DATE:** 06 FEBRUARY 2017

**SUBJECT:** TAX COLLECTOR'S REPORT PER NCGS 105-369

**PRESENTER:** TAX COLLECTOR

**ATTACHMENTS:** YES

**SUMMARY OF REQUEST:**

The attached report from the office of the Tax Collector is provided for the Board's information.

**BOARD ACTION REQUESTED:**

No action required, for information only.

**SUGGESTED MOTION:**

No action required, for information only.



**HENDERSON COUNTY TAX COLLECTOR**

200 N Grove St, Ste 66  
Hendersonville, NC 28792-5027

Phone: (828) 697-5595

Fax: (828) 698-6153

Hendersoncountync.org/ca

January 27, 2017

Henderson County Board of Commissioners  
1 Historic Courthouse Square  
Hendersonville, NC 28792

Re: Tax Collector’s Report to Board of Commissioners (Meeting date: February 6, 2017)  
Report of Unpaid Taxes That Are Liens on Real Property, Per NCGS 105-369

Dear Henderson County Commissioners:

In accordance with NCGS 105-369, the tax collector must report to the board the total amount of unpaid taxes for the current fiscal year that are liens on real property. Upon receipt of this report the board is directed by statute to order the advertisement of such liens. As instructed by NCGS 105-369, advertisement of tax liens need only be published one time March 1 through June 30 in a single newspaper of general circulation.

2016 Annual Tax Billing & Collections Summary as of January 25, 2017

<b>2016 Beginning Charge:</b>	<b>\$69,946,881.18</b>	<b>2015 Beginning Charge:</b>	<b>\$62,793,546.73</b>
Discoveries & Imm. Irreg.:	\$780,676.09	Discoveries & Imm. Irreg.:	\$210,670.65
Releases & Refunds:	<b>(\$636,777.29)</b>	Releases & Refunds:	<b>(\$367,079.30)</b>
<b>Net Charge:</b>	<b>\$70,090,779.98</b>	<b>Net Charge:</b>	<b>\$62,647,138.08</b>
Unpaid Taxes:	\$3,988,646.58	Unpaid Taxes:	\$3,566,605.49
Amount Collected:	\$66,102,133.40	Amount Collected:	\$59,080,532.59
<b>Percentage Collected:</b>	<b>94.31%</b>	<b>Percentage Collected:</b>	<b>94.31%</b>
Through: 25-Jan-2017		Through: 25-Jan-2016	

It is my recommendation that tax year 2016 tax liens be advertised once on March 15<sup>th</sup>, 22<sup>nd</sup> or 29<sup>th</sup>, 2017. Final date selection will be based on staff’s timely preparation to meet print deadlines in accordance with Henderson County’s legal advertising agreement with The *Hendersonville Lightning*.

Regards,

Darlene Burgess  
Tax Administrator

Luke Small  
Deputy Tax Collector



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Henderson County Board of Commissioners  
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 Hendersonville, NC 28792

Re: Tax Collector’s Report to Board of Commissioners (Meeting date: February 6, 2017)  
 Progress Report on Delinquent Tax Collection Actions for FY2016-2017

Dear Henderson County Commissioners:

Each year as part of the annual Order of Collection, the Tax Collector is “authorized, empowered, and commanded” to collect the annual taxes as well as continue collection efforts on prior-years’ unpaid taxes. Henderson County continues to see high collection rates through fair and equitable tax collection.

Fiscal Year 2016-2017 has yielded \$793,951.16 in revenue to date. This revenue reflects 50.41% of the budgeted goal of \$1,575,000.00 specific to prior-year tax collection efforts. While each enforced collection action initiated is not always successful, our staff tirelessly works through all available remedies for collection of delinquent taxes.

Since July 1, 2016, the tax collections staff has initiated the following enforced collection actions:

<b>Enforced Collection Action Type</b>	<b>Cases Started FY16-17</b>	<b>Potential Collection FY16-17</b>	<b>Cases Started FY15-16</b>	<b>Potential Collection FY15-16</b>
Bank Attachments	128	\$150,556.92	60	\$146,051.02
Wage Garnishments	724	\$244,034.83	573	\$231,918.27
Rent Attachments	1	\$2,508.02	1	\$2,171.71
Monies Attachment	152	\$59,591.51	50	\$28,044.81
Debt Setoff	5085	\$817,450.55	4736	\$1,170,786.20
Arrangements	145	\$271,008.11	90	\$236,235.53
Foreclosure Warning	112	\$160,759.35	147	\$182,007.81
	<b>6347</b>	<b>\$1,705,909.29</b>	<b>5657</b>	<b>\$1,997,215.35</b>

In previous discussions between the Board and staff, it was identified that the tax foreclosure process was not being fully utilized. We have filled necessary staff positions to pursue foreclosures and I am pleased to present the following breakdown of foreclosure proceedings in the last seven months:

	<b>Parcels</b>	<b>Collected</b>		<b>Parcels</b>	<b>Potential</b>
Revenue from Foreclosure Sales with Outside Firm	8	\$ 20,959.73	Foreclosures In Process with Outside Firm	3	\$ 23,460.17
Revenue from Foreclosure Sales Completed In Rem*	0	\$ -	Foreclosures In Process In Rem (Judgements Filed)	14	\$ 32,138.84

\*Paralegal added to staff 10/03/2016, In Rem foreclosures take approximately 6 months to process



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The enforced collection of taxes continues to be successful in keeping collections fair and equitable while also providing additional revenue to the County’s annual budget. Within the current year and previous year’s budget, a reduction in the charge for prior years’ tax collection has been granted. The request for the reduction of the charge is based on the available, enforceable levy. Two main factors have been identified effecting the reduction in the levy:

1. **The reduction of prior years’ debts for Registered Motor Vehicles (RMV) billed under Legacy system**  
NCDMV began collection in 2013 which immediately prevented the delinquent levy from inheriting additional delinquent debt. The new method of collecting RMV has proven extremely beneficial.

2. **Excellent annual collections**

Each year that the percentage of annual collections increases, less debt is transferred to the delinquent levy at the end of the fiscal year. The annual collection rate for FY14-15 was 98.28% while FY15-16 was 98.50%.

Comparison of Delinquent Levy change by Fiscal Year:

	<b>July 1 Opening Delinquent Levy</b>	<b>Change in Opening levy from previous year</b>
FY16-17	\$2,831,316.08	(\$404,649.18)
FY15-16	\$3,235,965.26	(\$658,745.46)
FY14-15	\$3,894,710.72	(\$223,885.85)
FY13-14	\$4,118,596.57	(\$26,252.93)
FY12-13	\$4,144,849.50	(\$575,783.22)
FY11-12	\$4,720,632.72	\$98,452.21
FY10-11	\$4,622,180.51	\$2,134.36

Respectfully submitted,

Darlene Burgess  
Tax Administrator

Luke Small  
Deputy Tax Collector