

BOARD OF ALDERMEN

ITEM NO. C(6)

AGENDA ITEM ABSTRACT

MEETING DATE: May 20, 2008

TITLE: A Resolution Authorizing the Town Manager or the Manager's Designee to Take Certain Actions Regarding Special Assessment Payments and Appointing a Special Collector

DEPARTMENT: Management Services	PUBLIC HEARING: NO
ATTACHMENTS: A. Resolution	FOR INFORMATION CONTACT: Nancy Emslie, Accounting Officer 918-7306

PURPOSE

The Town sought and obtained special legislation that authorizes the Town to use the remedies authorized for the collection of unpaid property taxes to collect delinquent special assessment payments as an alternative to foreclosure proceedings, the only option allowed under the street assessments statutes. The staff is requesting that the Board authorize the Finance Officer to be appointed a Special Collector.

INFORMATION

Under G.S. 160A-233(b) when a person becomes delinquent the entire amount due is accelerated (i.e. it becomes immediately due and payable) unless the Board of Aldermen waives the acceleration. On October 3, 2006 the Board of Aldermen approved a resolution waiving acceleration and authorizing the Finance Officer to arrange alternate payment plans that would assist citizens who have become delinquent to repay their street assessment liens in full. On July 26, 2007 The General Assembly of North Carolina passed S.L. 2007-266 that allowed the Town of Carrboro to amend its charter to provide greater flexibility in the payment of special assessments and the collection of delinquent special assessment payments. In addition, S. L. 2007-266 authorized the Town to waive the automatic acceleration of delinquent special assessments payments and to design and establish installment plans for the repayment of special assessments.

G.S. 105-349 requires that a local government appoint a tax collector prior to collecting taxes. However, the statute is not clear whether the Town must appoint a collector before collecting delinquent special assessment payments. In addition, the statute states that, "Until the first such appointments are made, county and municipal taxes shall be collected by the tax collectors presently serving under prior provisions of the law." It is not clear how this provision would apply to the Town in light of its special legislation. The statute could be interpreted that Orange County must collect delinquent special assessment payments until the Town appoints its own collector. Our legal counsel contacted Ms. Jo Roberson, Orange County Tax Collector, and was advised that the County would not collect delinquent special assessments on behalf of the Town. It was requested that the Town appoint a Special Collector for this purpose. Given the ambiguity in the statute and the request from Orange County, we think it prudent for the Town to appoint its own collector.

FISCAL IMPACT

The Town will continue to charge and collect 8% interest on unpaid balances for delinquent special assessment liens. G.S. 105-349 (c) requires that the collector be bonded. The Finance Officer is currently bonded in the amount of \$50,000.

RECOMMENDATION

The Town staff recommends that the Board of Alderman adopt the attached resolution authorizing the town to take certain actions regarding special assessment payments and appoint a Special Collector.