



INTEROFFICE MEMORANDUM

TO: Fulton County Board of Commissioners
FROM: *Zachary Williams*, County Manger
DATE: July 10, 2009
SUBJECT: Recommendation to Pursue 2009 Temporary Tax Collection Order (TCO)

I am providing the following information to update you on the 2009 Tax Collection Schedule and to recommend that we immediately pursue a 2009 Temporary Tax Collection Order in order to ensure that 2009 taxes are payable by December 31, 2009. The absolute deadline to achieve this requires tax bills to be generated and mailed by October 31, 2009. Even if the County meets the October 31, 2009 deadline, based on our historical collection experience, we will likely not receive property tax revenue by the date we are obligated to repay the Tax Anticipation Note. Alternative financing arrangements would have to be authorized to respond to the due date of the TAN.

Background

Georgia Law requires that the County seek the approval of the Georgia Department of Revenue, specifically the Georgia Revenue Commissioner, prior to initiating our annual tax collection process. The Fulton County Tax Commissioner submits a detailed analysis of the proposed taxes and revenue for the current tax year in the form of a tax digest. The State closely monitors the proposed tax digest to ensure that taxes are levied equitably.

Each year as the tax digest is prepared by the Fulton County Board of Assessors; appeals are analyzed to determine if the digest can be submitted directly to the Georgia Revenue Commissioner for approval. The tax digest cannot be approved by the Revenue Commissioner if one of the following circumstances exists:

Scenario 1- Complete Revaluation Scenario- If Change of Assessment Notices are sent to more than 50% of all tax parcels, either one of the following conditions will prevent the submission of the digest to the State:

- a. Total assessed value in dispute due to appeals is 5% or more of the total digest value;
OR
- b. Total number of appeals is 5% or more of the total parcel count

Scenario 2- Non-Revaluation Scenario- If Change of Assessment Notices are sent to less than 50% of all tax parcels, the following conditions will prevent the submission of the digest to the State:

- a. Total assessed value in dispute due to appeals cannot exceed 3% of the total digest value

The tax digest can be submitted only after the appeal rates are below the aforementioned thresholds respective to each scenario. During the appeal settlement period, the County can, however, take advantage of a special provision that allows the County to petition the court for an order authorizing the immediate and temporary collection of taxes or a TCO (temporary collection order).

Discussion

Change of Tax Assessment Notices for residential, industrial and commercial properties for 2009 notifying Fulton County taxpayers of increases or decreases in their assessments were mailed on the following dates:

Date Mailed	Approximate Volume	Appeal Date Expires (45 days)
June 6, 2009	106,500	July 21, 2009
June 27	51,445	August 11, 2009
July 6	611	August 20, 2009
July 8	20,222	August 22, 2009
	178,778	

As of July 10, 2009 the Board of Assessors mailed approximately 179,000 Change of Assessment notices to taxpayers. This volume of notices qualifies the County to fall under the **Scenario 1** and therefore assessed values in dispute or total number of appeals must be less than 5%. Taxpayer appeal responses for the last of these notices are due on August 22, 2009.

The Board of Assessors plans to release estimates to the County the week of July 22, 2009. The first appeals window lapses on July 21, 2009. The Finance Department has requested a report of the appeals volume in order to determine the potential for digest erosion due to appeals. The Board of Assessors has indicated this data should be available by July 27, 2009. Once the Finance Department has the estimates and the appeals data in hand, they will be positioned to complete the rollback calculation and determine a proposed millage rate.

In order for tax bills to be due and payable in 2009, they must be postmarked by October 31, 2009. Given that the digest estimates are running two months behind this year, we will have a very tight millage rate approval process. As you will recall, the Board approved a 2.5 mil increase in South Fulton which will require the advertisement of a tax increase and three public hearings. We have proposed the following schedule to move forward with the millage rate approvals:

- July 29th - Special Call meeting to approve proposed millage rates and authorize advertisement of 5 year levy history and notice of tax increase
- August 12th - Special Call meeting to hold two public hearings (10:00 am and 6:00 pm)
- August 19th - Regular meeting to hold last public hearings and set final rates

Please let me know if you have questions. Thank you.

ZLW/sw

cc: Patrick J. O'Connor, Finance Director
 Burt Manning, Tax Assessor
 Arthur Ferdinand, Tax Commissioner