

Memo

To: Billy Peppers
From: Nathan Ingram
CC: Mayor & City Council
Date: September 26, 2016
Re: Intergovernmental Agreement for Tax Billing/Collection

Mr. Peppers,

You have before you, a draft copy of an Intergovernmental Agreement for Tax Billing & Collection between Cherokee County and the City of Canton. Recently, you and I had the privilege to sit down with the City Tax Clerk (Linda Buchanan) and the County Tax Commissioner (Sonya Little) to discuss the idea of the CC Tax Office billing and collecting the City property taxes. This memo serves as a recap of that meeting and some of the benefits and concerns that were discussed.

Although there are some administrative hurdles to overcome, we feel as if the benefits especially those for the citizens of Canton, outweigh those hurdles. Furthermore, those hurdles should be mitigated with proper planning and communication.

To point out some of the concerns first:

- Obviously, the Tax Commissioner cannot complete this service for free. There will be a \$2 charge per statement issued. This will result in a net cost to the City of approximately \$25,000 per year. This will be mitigated by the repurposing of human resources here at City Hall as well as not having to pay some administrative costs like printing and postage.
- One other hurdle to overcome, and it's listed within the agreement, is the fact that the City will have to adopt its millage rate before August 1st of each year. Please be mindful that the City currently adopts its millage rate during the month of August in conjunction with approval of the annual budget. There should be no reason that the millage rate cannot be adopted the month earlier.
- To allow ample time for good communication between all parties, should Council decide on moving forward with this IGA we are asking that they consider approving the agreement now for the upcoming 2017 Tax Digest. To clarify, this will be for the tax statements mailed in October of 2017; not the current year. Making this decision now provides the City sufficient time to notify taxpayers, mortgage companies and any other impacted party(s). The City will have time to make multiple notifications using various vehicles to get the word out.

The benefits to the Citizens of Canton are numerous, a few are:

- For years, Senior Citizens have had to go to both the City and the County to apply for their respective Senior Exemptions. They will no longer be required to fill out two separate Senior

Exemption applications. This will obviously save time and trouble for these citizens but will also mitigate the issue that we have seen in the past of citizens applying for one of the exemptions expecting that it covered both (the City and the County).

- One tax notice! With City and County taxes on one statement, this will be more efficient for the tax payers as well as mortgage companies.
- The County also has multiple locations to service taxpayers. As a result, City of Canton citizens/taxpayers will be able to go to any of these locations to pay their taxes.
- The County has various payment options available to taxpayers. These flexible payment options will assist City of Canton taxpayers with paying their taxes.

Regardless of who issues the statements and collects the taxes, it is our intention (if it is the desire of Council) to split out the property taxes into "City M&O" and "Fire Services". This will better reflect the intended and final use of tax monies as well as make it somewhat comparative to the County tax bill as provided to those in the unincorporated area.

In closing, we are asking that Council consider the idea of entering an agreement with Cherokee County and the County Tax Office. I welcome questions and further discussion. Thank you for your time and consideration.

Respectfully,

Nathan Ingram