

BOARD OF ALDERMEN

ITEM NO. C(6)

AGENDA ITEM ABSTRACT

MEETING DATE: April 6, 2010

TITLE: A Resolution Appointing a Special Collector Regarding Street Assessment Payments

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 Accounting Officer to be appointed a Special Collector. This appointment would replace the appointment of L. Bingham Roenigk in May 2008.

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 or his/her designee 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 was 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 was 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. On May 20, 2008 the Board approved a resolution appointing L. Bingham Roenigk as the Special Collector for the Town of Carrboro.

The attached resolution appointing Nancy H. B. Emslie as Special Collector would replace the appointment of L. Bingham Roenigk, whose appointment would be hereby revoked.

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 Accounting Officer acts as

the Town's Finance Officer in his/her absence. According to the North Carolina League of Municipalities (NCLM), the Finance Officer position is currently bonded in the amount of \$50,000. When the Accounting Officer position acts as the Town's Finance Officer he/she is bonded in the amount of \$50,000. When the Accounting Officer position is functioning as usual, this position is covered under the Town's blanket bond with \$10,000 in coverage.

RECOMMENDATION

The Town staff recommends that the Board of Alderman adopt the attached resolution authorizing the Town to Appoint a Special Collector.