



CITY OF
FORESTPARK

City Council Agenda Item

Subject: Government Tax Solutions – Executive Office

Submitted By: Ricky L. Clark, Jr., City Manager

Date Submitted: June 14, 2023

Work Session Date: June 20, 2023

Council Meeting Date: June 20, 2023

Background/History:

The purpose of this memorandum is to request authorization for the City Manager to execute an agreement with Government Tax Solutions (GTS) to assist with the collection of delinquent property taxes. These services include but are not limited to: list preparation, file preparation, title examinations, levy notifications & legal advertisement preparation, and submittal.

Upon reviewing our ledger, we have delinquent property taxes dating back to 1977 with an accrued outstanding balance of nearly \$1.7M. Should Council approve, the process of engaging with GTS and the delinquent taxes would be as follows:

Stage 1 – Upon receiving the delinquent accounts, GTS will mail out a standard delinquent collection letter informing the delinquent tax holder of the outstanding balances. This letter will state the payment deadline that must be met in order to prevent additional charges and the levy from taking place.

Stage 2 – Upon expiration of the Stage 1 deadline, all account ownership records will be verified to ensure that if there are any bankruptcies or other factors, those are pulled from the parcel list. In addition, GTS will review all title examinations to ensure proper notification. Further, a secondary proper levy notice will be sent, and legal advertisements prepared.

Our City Code provides that all ad valorem taxes due to the city on all property in the city subject to taxation shall be due and payable annually. Any such tax not paid by December 20 shall be declared delinquent. Delinquent taxes shall accrue interest at the highest legal rate per annum authorized by state law from December 20 to the date payment is made.

Sec. 3-2-5. - Executions for unpaid taxes; sales.

(a)

For any and all unpaid taxes during any year, executions shall be issued against the property and the owners thereof on or after December 20 of each year for the amount of taxes due, the interest thereon and such fee for the issuance of the execution as provided by law. Such execution shall be issued by the city clerk and bear teste in the name of the mayor and shall be levied by the chief of police or any other police officer of the city. Such execution shall bind

all the property, real and personal, of the defendant; and the costs thereof shall be the same as on tax collector's executions by the laws of this state.

(b)

The execution shall be levied by the chief of police or any other police officer of the city, upon such property as in the discretion of the levying officer may be suitable or available for such purposes, and the same shall be advertised once a week for four (4) weeks next preceding the date of sale in the official organ of Clayton County or in a newspaper having general circulation in the city. Sales of such property shall be conducted on the first Tuesday of the month before the door of the city hall, or in the council chambers, between the hours of 10:00 a.m. and 4:00 p.m., and the same shall be conducted by the chief of police, or any other police officer. All property shall be sold at public outcry to the highest bidder for cash. The proceeds arising from such sale shall first be applied to the payment of the taxes due, including the interest and costs and expenses of sale, and any surplus remaining shall be paid to the owner of such property, provided that the city may buy any property to be sold under and by virtue of such tax executions.

GTS has conducted this type of work in Cities and Counties throughout Georgia since 1994. Due to their experience with local governments across the state, GTS has a team of highly skilled title examiners who are familiar with the local real estate deed office and the tax accessor's office. In today's world, deed record abstractions can be unusual due to banking transfers, foreclosures, FDIC loan assumptions, mortgage assignments and title conveyances.

As part of the City Manager's 100-day action plan, Revenue Recovery remains one of the top efforts. These efforts will allow us to identify any missed revenue, unpaid revenue, policies, and code language that simply needs to be updated to reflect current trends more accurately.

This initiative along with others to come down the pipeline, will set the pace for future recovery efforts.

Cost: \$

Budgeted for: _____ **Yes** _____ **No**

Financial Impact:

The following is an outline of the fee schedule:

1. For all accounts turned over to GTS and collected during the State 1 process, GTS will be paid \$65 for any and all collected parcels. The fee is paid by the property owner with the delinquent bill, not the City.
2. For all accounts turned over to GTS and collected during the State 2 levy process, GTS will be paid a total of \$210.00 for any and all collected parcels. The fee is paid by the property owner with the delinquent tax bill, not the City.

Action Requested from Council:

The City Manager is requesting approval of this initiative.