



## AGENDA ACTION FORM

### **Consider Authorization for City Recorder to Reconcile and Adjust Uncollectible Property Tax for Tax Year 2012.**

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager *CM*

Action Form No.: AF-213-2023

Work Session: July 17, 2023

First Reading: July 18, 2023

Final Adoption: August 8, 2023

Staff Work By: Karen Gilmore

Presentation By: Joe May

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#### **Recommendation:**

Approve the Resolution.

#### **Executive Summary:**

A reconciliation has been made of the taxes assessed for Tax year 2012. This includes not only ad valorem tax on real property; but, also personal property taxes as well as taxes on State Assessed Properties. Tax Accounts, which are in Bankruptcy, are also included. Unpaid Taxes on tangible and intangible business property are not turned over to the Clerk & Master to be included in the Delinquent Tax litigation process.

The failure of a business entity to file a personal property schedule results in a forced assessment, which can continue for years in the event that the business fails to notify the Assessor that the business terminated, was sold or relocated outside the City. The Office of State Assessed Properties is the agency which conducts assessments of property taxes on certain classes of what are referred to as public utilities, which include more than privately owned telephone (including wireless), gas and electric (including transmission), and railroad companies - it also includes motor carriers and private carriers and some other classes. Any such company that fails to file an Ad Valorem Tax Report to the Office of State Assessed Properties receives a Forced Assessment, which can continue over a number of years in the event that the company has failed to file a final return reporting that it is no longer operating in Tennessee. These entities do not necessarily maintain a physical office in the City or even Tennessee.

This year, a special effort will be made to have all of the properties having a lien, for demolition of a dilapidated structure or for maintenance of overgrown property, in a Tax Sale. The past lack of interest from bidders in such properties would indicate that the City will likely be the successful (probably only) bidder; but will allow some disposition to be made by the City of these properties as surplus properties.

Each year as part of the final accounting, an adjustment is made to recognize uncollectible receivables. For the Fiscal Year ending June 30, 2023, the total ad valorem tax on real property that meets such criteria represents some 2/100's of one percent of the total tax levy. Conversely, **99.99%** of the tax levy has been collected. Reconciliation has been made of all tax receivables, estimated uncollectible and deferred revenue accounts and it is recommended that this adjustment in the amount of **\$83,202.27** be made.

#### **Attachments:**

1. Resolution
2. Tax List

	Y	N	O
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Montgomery	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—