


MEMORANDUM

March 30, 2013

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator 
Russ Truell, Asst. City Administrator/CFO
Steve Sims, Bus. Process Improvement Mgr.

SUBJECT: Interlocal Agreement – Billing/Collection of Property Tax by Trustee

Purpose

The purpose of this memorandum is to provide information to the Board of Mayor and Aldermen (BOMA) about the potential for transferring billing/collection of property taxes to the Williamson County Trustee.

Background

The City of Franklin currently bills and collects property taxes for properties in the city limits and the County Trustee issues bills and collects for properties in the unincorporated areas, the Franklin Special School District (FSSD) as well as some municipalities. This results in confusion by our citizens since they receive multiple statements. This confusion has occasionally resulted in actions taken by the city or the county to seek restitution thru the Clerk & Master’s Delinquent Tax Attorney as only one of the bills is paid. In addition, both the City and the County maintain staffs doing about the same activities and answering many of the same questions. Subsequent to our initial conversation, an invitation was extended for the City of Brentwood to join the City of Franklin in exploring the opportunity of having the County Trustee collect city property taxes. They are now evaluating this.

By statute, the Trustee may perform this work in municipalities and obtain compensation from the municipality for this service. The fee that is to be charged will allow the Trustee to be compensated at a rate that can be in line the expenses associated with providing the service.

Discussions have occurred and a meeting was held on March 26, 2013 to discuss this opportunity and identify issues confronting us. That meeting had representatives from the County, TN Comptroller, City of Brentwood, City of Franklin, Delinquent Tax Attorney, software vendor and the bill presenter. Attachment 1 highlights some of the considerations for this transfer as addressed at that meeting.

Options

- Staff recognizes a couple of options.
- Abandon discussions and continue with the current practices.
 - Continue with discussions and keep BOMA informed of progress

Recommendation

Staff recommends we continue to seek an amicable solution that benefits our citizens and results in an Interlocal Agreement for the collection of City property taxes by the County Trustee for BOMA approval.

TRANSFER OF RESPONSIBILITY FOR BILLING and COLLECTING PROPERTY TAXES

ATTACHMENT 1

OPPORTUNITIES

SINGLE POINT OF CONTACT
ONE STATEMENT (jurisdictional separation)
SINGLE PAYMENT
EXPANDED PAYMENT OPTIONS
TAX RELIEF AT SINGLE POINT
DELINQUENCY & BANKRUPTCY ACTIONS
SUSTAINABILITY (paper, gas, time, traffic)
REDUCE SOFTWARE and SUPPORT BY CITY
REDUCED WEB MAINTENANCE REQUIREMENTS
STAFF ALIGNMENT

CHALLENGES

CUSTOMER COMMUNICATION
TIMING
PRIOR YEAR DELINQUENCIES
REPORTING
CASH FLOW
AUDIT
PUBLIC ACCESS TO PRIOR YEAR DATA (title companies)
DATA MANAGEMENT
SOFTWARE MODIFICATION

FINANCIAL IMPACT

GOAL IS EXPENSE NEUTRAL

TIMELINE

TRUSTEE TO ISSUE BILLS STARTING OCTOBER 1, 2013

CONCURRENCE ATTAINED

ENHANCE SERVICE TO CUSTOMERS
NO "DEAL BREAKERS" IDENTIFIED TO DATE
COMMUNICATIONS BY ALL PARTIES REQUIRED
TRUSTEE TO BILL/COLLECT ALL
TRUSTEE FEE BASED ON LEVEL OF EFFORT
EFFECT CHANGES THIS YEAR
CITY WILL HANDLE INFRASTRUCTURE ASSESSMENTS

OUTSTANDING ISSUES

TRUSTEE'S FEE
SOFTWARE MODIFICATIONS REQUIRED
LEGAL REVIEWS
DELINQUENCIES
STATEMENT LAYOUT
ATTAIN CONCURRENCE FROM LEGISLATIVE BODIES