

2008 Legislative Policy Statement

The Georgia Association of Tax Officials (GATO) is a professional organization comprised of tax commissioners from each the 159 counties in Georgia. The purpose of this policy statement is to frame and publicly state the positions adopted by GATO on issues affecting tax commissioners and the performance of their elected offices, including their ability to effectively serve taxpayer constituents. This policy statement will also guide the organization's advocacy efforts.

The objectives of GATO shall be to improve the standards of tax administrative practices, to provide a clearinghouse for useful information relating to property tax administration and motor vehicle registration, to form effective partnerships in the public and private sectors for improving delivery of taxpayer services, to listen and respond constructively to the concerns of the taxpaying public, to promote public awareness and educate taxpayers on the true nature and importance of the work performed by tax officials, to engage in research and publish the results of studies, to elevate the standards of personnel requirements in tax offices, to work with members of the General Assembly as well as public and private agencies interested in improving tax administration, and in every proper and legal way to promote justice and equity in the distribution of the tax burden.

It should be noted that tax commissioners, with responsibilities for collection of property taxes and processing of motor vehicle registrations, have more interaction with citizens than any other county government office. Through professionalism, accountability and caring, and by administering efficient, responsive, and fair collection programs, GATO members strive to provide the very highest level of quality services to their customers -- the levying authorities and the citizens of this State. Serving customers is our most important job.

In stating its positions, GATO seeks only to increase the proficiency of county tax commissioners and to strengthen the quality of services provided to the State, county, and school levying authorities; and most importantly to the citizens we serve. To further these objectives, GATO supports the following policy positions:

Costs Recovery for Collection of Delinquent Taxes: GATO supports legislation to provide that the costs of administering collection of a delinquent property tax lien, before or after making levy on property, shall be added to the execution and collected from the delinquent taxpayer. The vast majority of taxpayers pay their taxes in a timely manner without the need of issuing a delinquent execution. Costs of title examinations, due diligence research, legal notice preparation and mailings to collect delinquent taxes should be borne by the delinquent property owners and not by abiding taxpayers who have timely paid their taxes. GATO believes such costs should rightfully be assessed

against, and recouped from the delinquent property owner who necessitated the expense. Current law, O.C.G.A. § 48-5-161, should be amended to clarify that the costs and actual expenses of collecting a delinquent execution are recoverable at the time incurred by adding those costs and expenses to the execution, irrespective of whether levy has been made.

Abandoned Mobile Homes: GATO supports legislation to provide for a structured and orderly process of declaring mobile homes as legally abandoned so they can be removed from the real property on which they are located. Aged, dilapidated, vacant mobile homes degrade communities and create safety and property nuisance issues affecting landowners whose hands are tied. Mobile homes that are abandoned and left in a deteriorated, uninhabitable state, by owners whose whereabouts are often unknown, are visual eyesores that undermine land values and have a detrimental effect on the well-being of communities. GATO supports establishing state law, in conjunction with manufactured housing groups, whereby mobile homes that remain long vacant with discontinued utility services, and local housing code violations, may be declared abandoned and sold at public auction in the same fashion as abandoned motor vehicles.

Late Payment Penalty Imposed on New Property Owners: During the 2007 legislative session, House Bill 380 amending O.C.G.A. § 48-3-3 became law to provide that new property owners are not required to pay delinquent interest and penalty unless forwarded a current year tax bill by the tax commissioner, and then given 60 days to pay the taxes. The law cited the general 10% penalty statute, O.C.G.A. § 48-2-44, as the penalty exclusion but inadvertently omitted a second penalty statute, O.C.G.A. § 48-5-24, that assesses a 5% penalty in certain counties based on population and installment billings. GATO believes omission of the second penalty statute was not intended by the legislature and asks that the law be further amended to include this statute in the penalty exclusion. Then, taxpayers in those counties where the 5% penalty statute applies will be treated the same as those taxpayers in other counties where the 10% penalty statute applies. A correction of this oversight, or simple clean-up in the law by inserting reference to the 5% penalty statute, will ensure that all new property owners are afforded the same 60-day opportunity to pay without penalty as was the intent of the 2007 legislation.

Filing Period for Homestead Exemptions; and Payment of Taxes When Property Lies in More Than One County: During the 2007 legislative session, two (2) Senate bills were introduced; Senate Bill 159 to change the filing deadline for homestead exemption from March 1 to match the filing deadline for property tax returns, and Senate Bill 58 to repeal the law allowing property taxes on a parcel lying in more than one county to be paid to the county where the majority of the parcel lies. GATO views these bills as taxpayer friendly initiatives. Senate Bill 159, amending O.C.G.A. § 48-5-45, will eliminate taxpayer confusion by having a single, consolidated deadline date for filing both

homestead exemptions and property tax returns. Many counties accept property tax returns until April 1, which will allow taxpayers additional time to file their homestead exemptions. Senate Bill 58, affecting property lying in more than one county, will also serve to eliminate taxpayer confusion by repealing an outdated law, O.C.G.A. § 48-5-237, that allows taxes assessed and billed by two (2) different counties to be paid in one county, with the receiving county being required to transmit payment to the other county. GATO supports these initiatives and prefers they be combined under a single bill.

Homestead Exemption for Surviving Spouses of Service Personnel Killed in Action: In the 2006 general election, voters approved a special exemption that fully exempts the homesteads of unremarried spouses of peace officers or firefighters killed in the line of duty from all property taxes, effective January 1, 2007. This law was codified as O.C.G.A. § 48-5-48.4 and arose from House Bill 81 during the 2006 legislative session. GATO supports legislation, for voter approval, to extend the same exemption to the unremarried surviving spouse of service members who have been killed in action while serving in the armed forces of the United States. GATO believes that to promote taxpayer fairness, and to provide equal and consistent exemption benefits; all surviving spouses of both public safety and military personnel should be entitled to claim this exemption.

State Retirement Eligibility for Tax Commissioners: Participation in the State Employee's Retirement System (ERS) by tax commissioners has been mandatory by state law since 1958. During the 2007 legislative session, Senate Bill 163 that will carry-over to 2008 was introduced to amend O.C.G.A. § 47-2-292. This bill will prohibit tax commissioners and their staffs from joining the ERS after June 30, 2008. Tax commissioners are constitutional officers of the State and perform duties under the training, supervision and audit of the State Revenue Commissioner. Existing state laws provide that tax commissioners are bonded agents of the Commissioner and adjuncts of the State Revenue Department since they are charged with providing crucial services and functions in behalf of the State. Those services include property tax, public utility and vehicle sales tax collections along with processing title applications, issuing license plates, and collecting associated registration and insurance fees for motor vehicles. In fact, tax commissioners collected 369.6 million dollars in state taxes and fees, and processed over 11.8 million motor vehicle transactions for the State in fiscal year 2007. Interestingly, tax commissioners receive no salary compensation from the State for providing these services, only a state retirement benefit to which they contribute along with the Department's 10.41% employer's contribution rate based on their county paid salary. By using tax commissioners as quasi-employees to perform services for the Department, the State receives enormous cost saving benefits by not having to set up and maintain a network of statewide offices. Tax commissioners are a fully integrated arm of the State Revenue Department, serving by county jurisdiction under the dominion and control of the Department. GATO believes tax commissioners, as agents of the Department, should continue to be afforded eligibility in the ERS. Many counties either have

no local pension plan in effect, or do not offer plan participation to state constitutional officers. GATO opposes this bill as written because without ERS eligibility, many tax commissioners would have no retirement plan at all. At the very minimum, tax commissioners should be allowed the option to participate in either the State plan, or a county plan if available.

Agent Fees for Processing Motor Vehicle Titles: Tax commissioners and their county governing authorities face tremendous financial burdens in providing citizens with costly motor vehicle registration services in behalf of the State, often using outdated fee schedules that do not reflect the actual costs incurred by counties in providing those services. As a case in point, tax commissioners are mandated by law to serve as agents of the State Revenue Commissioner for processing of title applications and collection of state fees. The vast majority of all motor vehicle title applications are processed locally at county funded tag offices (2.45 million title applications were processed at the county level for state fiscal year 2007). Understandably, customers applying for titles would rather go to their county tag office in close proximity of their homes as opposed to traveling to the sole State office located in Atlanta. Currently, title fees set by state law are \$18 for a new title and \$8 for a replacement title with the tax commissioner retaining an agent fee that is paid over to the county governing authority. Disturbingly, counties only receive an agent fee of .50 cents for preparing and processing a vehicle title. Title applications are very labor-intensive transactions that require a careful review of source documents and are usually performed under heavy face-to-face interaction with customers at walk-in service counters. Clerks performing this function require specialized training, knowledge and skill sets. It should be noted that the .50-cent agent fee was set at a time prior to establishment of the Georgia Registration and Titling Information System (GRATIS). With the advent of this system in 1999, tag agents were charged with performing additional time-consuming duties that were previously handled by the State, including complete input and review of all finalized data. The customer service structures that tax commissioners must now have in place to support the State's motor vehicle function forms the bulk of their annual budgets. GATO supports an updated agent fee schedule to meet current day processing costs, and believes that tag agents should be allowed to retain reasonable fees to help counties defray the cost of providing services for the State. GATO endorses the efforts of ACCG in asking that the General Assembly review and update fees so they reflect the actual costs of doing business, and set agent fees that are realistically proportionate to the actual workload and costs borne by the county.

GRATIS Support: Tax commissioners collected over 296 million dollars in state motor vehicle fees and taxes during the 2007 fiscal year. These revenue funds were remitted to the Department of Revenue for deposit to the State's general fund. A portion of these revenues should be allotted for the support and maintenance of the Georgia Registration and Title Information System (GRATIS). GATO asks the General Assembly to appropriate adequate funding to the Department of Revenue and the Georgia Technology Authority for a county refresh program that allows for systematic replacement of aged, obsolete

computers and printers in county tag offices. County tag offices are struggling to perform state motor vehicle functions and provide essential services to citizens using outdated and often broken, non-repairable GRATIS equipment installed by the State in 1999. In addition to using GRATIS equipment that has exceeded its usable life span; county tag offices must endure frequent system outages from mainframe failures along with disruptions in data communication lines. System failures cause long customer-waiting lines and often cause tag offices to turn customers away for the day because of the inability to process transactions. GRATIS is a state managed database that uses both proprietary software and hardware over which tax commissioners have no control. Moreover, tax commissioners cannot collect state revenues when system software and hardware is not functioning. GATO requests that the General Assembly take the necessary steps to ensure an adequate system infrastructure and further, to acquire the modern day technologies that are necessary to allow both tax commissioners and citizens to meet their legal obligations to the State.

Employee Training and Certification: Property tax and vehicle registration functions have become increasingly difficult and complex in nature. Modern day tax and tag offices require highly competent, well trained, technical personnel with specialized knowledges and skill sets to perform a myriad of duties encompassing the complete spectrum of property taxation and vehicle registration laws. GATO recognizes that proficiency of tax office employees directly impacts the quality of services received by the levying authorities and the citizens of this State. GATO asks the General Assembly to appropriate funding to the Department of Revenue for the creation of a training and certification program for tax commissioners' employees. GATO desires that the Department establish certification designations or proficiency levels along with minimum qualifications and pay compensation for each level, and set minimum staffing requirements for each level based on criteria of county population, number of parcels or number of registered vehicles. GATO believes that a Department sanctioned program of training, certification and continuing education for tax office employees along with minimum staffing standards will raise standards of professionalism in tax administration and dramatically improve delivery of services to the State and its citizens.

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GATO Executive Board, Savannah Meeting