

Law compels Fulton to sell tax liens

By **ARTHUR E. FERDINAND**

On Nov. 12, Fulton County Superior Court Judge Jerry Baxter ruled against Fulton County on the sale of tax liens. Consequently, as Fulton County tax commissioner, I am under a court order to sell tax liens to anyone making such a demand or face contempt charges.

When property owners fail to pay their taxes, a lien is placed against the real estate. Investors purchase the liens from the county and then collect the property taxes and interest in the same manner as



Arthur E. Ferdinand is Fulton County tax commissioner.

the county. If the property owner fails to pay taxes to the investor, the investor can foreclose on the property.

During the 2002 session, Georgia legislators alarmed by the usurious profits reaped by investors

resulting from tax foreclosures took steps to make it less costly for taxpayers to redeem property after foreclosure.

Of particular interest to legislators was the plight of the elderly on limited incomes. To address these issues, the legislature reduced the financial incentives attracting investors to purchase tax liens.

Upon the governor's signing of the bill, I immediately ceased the practice of lien sales. In place of lien sales, we developed a plan to renew the practice of foreclosing on properties.

To date I have not been presented with an example of an elderly citizen losing a home due to a tax lien I have sold since taking office in 1997. In Fulton County, there is a higher payment rate among the elderly than among the rest of the general population, and those unable to pay in a lump sum are now given payment plans.

State law, however, still allows lien sales. My refusal to sell liens, in keeping with the intent of the Georgia General Assembly, resulted in a lawsuit filed against me in Fulton County Superior Court. On the basis of this statute, Baxter made his ruling that I must sell liens.

The surviving state statute does not require that taxpayers be notified if their liens are sold. To address this deficiency, my office mailed 39,000 courtesy letters to delinquent taxpayers alerting them of the court ruling and encouraging prompt payment to avoid lien transfer.

Fulton County is Georgia's largest and most populous county, with a tax roll more than double that of any other county in the state. The scale of operation of our tax office in many instances calls for a different business model than smaller counties in order to operate efficiently and fulfill our fiscal responsibility to the governing authorities.

The 2002 tax revenue digest of the DeKalb Tax Commissioner's office is \$450 million compared to the \$1.4 billion of the Fulton Tax Commissioner's office. You simply don't run ExxonMobil Corp. with the same processes used to run an Exxon gas station.

Since taking office in 1997, we have worked within the framework of the tax laws to create an effective operation of continuous improvement to yield a collection rate of over 99 percent while reducing delinquent taxes from a high of \$208 million to less than \$40 million by year's end.

Governing authorities require revenue to provide essential services: fire protection, public safety, education for our children, salaries for teachers, senior facilities for our elderly, parks and the arts for quality of life, roads, neighborhood sidewalks, and health facilities. A greater tax burden falls on fewer taxpayers when scofflaws don't pay their fair share.

Tax collecting is a lonely business and by no means a popularity contest. As tax commissioner, I do not get invitations to many parties.