

April 4-10, 2002

Fulton's tax commissioner runs taut department

Tax lien sales, scofflaw list put revenue in coffers

By HATCHER HURD

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When Arthur Ferdinand took on the job of Fulton County tax commissioner in 1997, it's fair to say collecting taxes owed was not a priority in the county. That has changed under Ferdinand's regime.

Ferdinand, 62, looks more like the IBM executive and university academician he once was. Now retired from IBM, he has worked as a consultant in quality and productivity systems, software and quality engineering. These skills he brought to the Tax Commissioner's Office along with a hard-nosed attitude in carrying out his duties.

It is an attitude that has not won him many friends – he has on occasion locked horns with Fulton County commissioners, but when push came to shove he was reappointed for another term this year.

No one can quarrel with his results. Prior to 1997, Fulton County's tax collection rate hovered around 90 percent and was the worst in the state. Delinquent taxes totaled a hefty \$208 million. Since coming on board, the collection rate has been pushed to more than 99 percent for Fulton County and Atlanta.

The Board of Commissioners gave Ferdinand a big stick to wield in collections when it approved the bulk sale of tax liens. When taxes are not paid, the county or city can place a lien on the property. When those liens are sold to investors, the property owner must pay the investor the amount of

the lien plus interest or face foreclosure by the new lien holder.

"This tool has been effective in decreasing the amount of delinquent taxes, and has given governing authorities quick infusions of sorely needed monies in the first quarter of each year," Ferdinand said.



FERDINAND

That first year in 1997, sale of tax liens brought in a high of \$32 million. Last year, lien sales garnered \$21 million.

Another tool, again not popular but effective, Ferdinand employed was to publish a list of businesses and

individuals owing the largest amounts of back taxes. Fulton's penalties had been so low and collection efforts so lax, that many businesses routinely delayed paying taxes for several years, finding it more profitable to invest that money until more severe county penalties kicked in.

That rankled Ferdinand, and the first year's published date embarrassed more than a few companies.

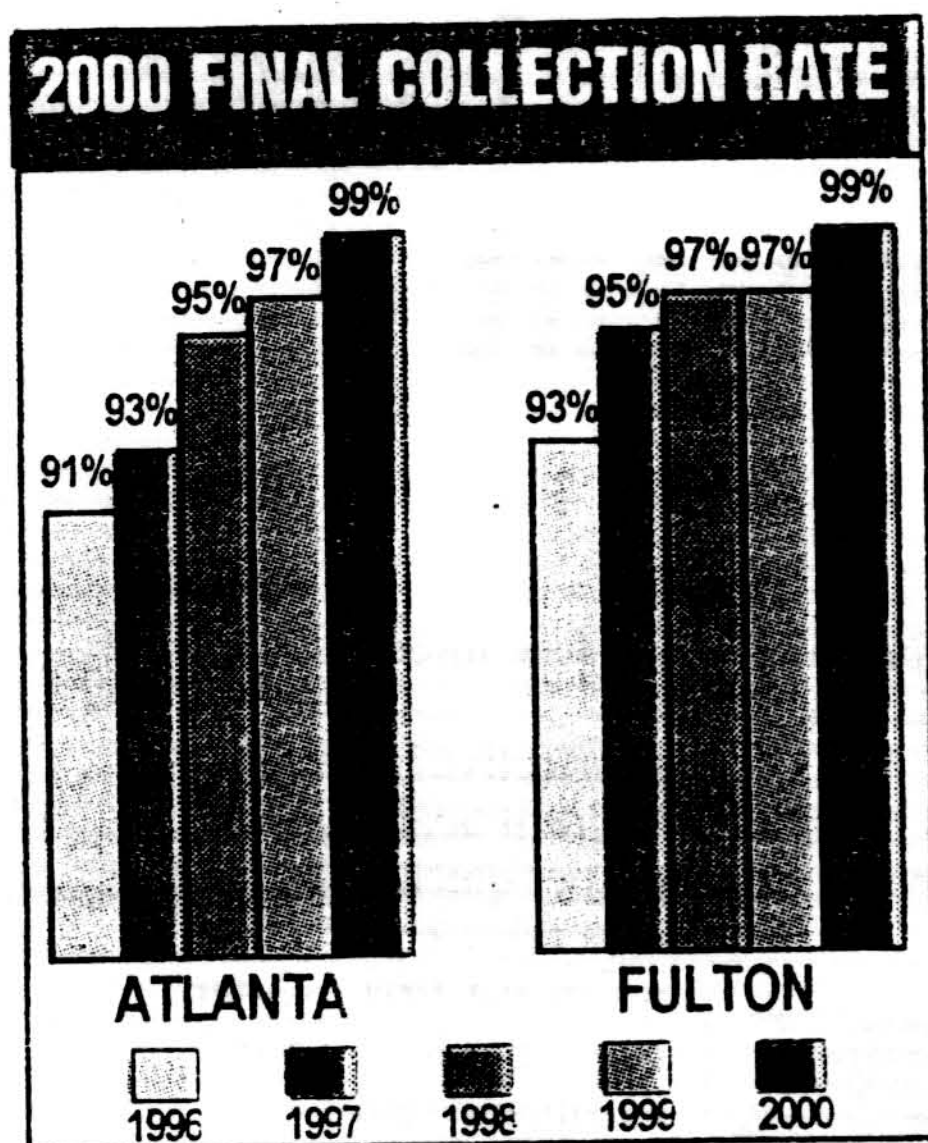
"The overwhelming majority of property owners, especially homeowners, pay their taxes on time," Ferdinand said. "My job is to see to it that everyone pays their taxes."

His collections directly affect the ability of Fulton and Atlanta governments, as well as the boards of education of Fulton and Atlanta, to do their jobs. In all, he collected \$1.4 billion in 2001, which includes property

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taxes, business taxes, motor vehicle taxes and other fees.

"That's a lot of cash," he said.

There is still a sizeable amount out there that has to be wrung out. Last year's delinquent taxes were \$45 million. He says that will be pared down to about \$40 million this year.

"I take my job very seriously. I have a constitutional responsibility to collect taxes without bias," he said.

That means not only being fair and even-handed with everyone, but to show that appearance as well. Even when it means colliding with likes of Commission Chairman Mike Kenn.

Last year the two went head-to-head over the tax Kenn owed from his restaurant pertaining to liquor sales. The dispute was

settled, but Ferdinand did not back away from the fight.

Nor has he given North Fulton a break on the formation of Community Improvement District (CID). Such districts agree that commercial property will pay an extra tax, usually 2 mills or 3 mills, that will be designated for capital improvements such as roads and sewerage in the district.

But Ferdinand is a stickler for the law, and while four other Fulton County CIDs have been approved rather handily, North Fulton is in its fourth year trying to get a CID approved in the North Point-Mansell area. He has refused to approve the North Fulton CID because it does not meet in his eyes the requirements for a CID – to sign up at least 50 percent of the commercial property owners representing 75 percent of the assessed value.

"The primary problem is, they have just never gotten enough consents. They need to show a well-defined area. They just haven't met the test yet," he said.

Ferdinand also took on Atlanta when he stopped collecting sanitation fees for the city. For poorer homeowners, sanitation fees were representing 80 percent or more of their total tax bill. If they couldn't pay, liens were attached to their homes. Ferdinand wanted to give Atlanta homeowners, especially seniors, the chance to pay their taxes without being hit for liens for not paying for trash pick-up.

"You can't favor any individual or group of people. It comes down to making an interpretation. When you have that perspective, it will cause conflict," he said. "The public doesn't want any favoritism."