



Our Expert Panel







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Poll

- Do you regularly attach *bank accounts* for delinquent property taxes?
 - Yes
 - No
 - What's an attachment?



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• Do you regularly attach *wages* for delinquent property taxes?

– Yes

– No

Poll

• Do you regularly attach *rent payments* for delinquent property taxes?

– Yes

– No

Attachment and Garnishment

- What?
- When?
- Who?
- How?



What is A&G?

Satisfying a Debt from Intangible Personal Property

Use for the Collection of <u>ANY</u> Local Tax: Property taxes Occupancy taxes Prepared Food & Beverage taxes

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What is A&G?

Also use for the collection of any debt that can be *collected like a tax*: Special Assessments Demolition Liens Nuisance Abatement Costs Ambulance Fees (some counties)

What is A&G?

Intangible Personal Property: Any \$\$ owed to taxpayer Wages Bank accounts Rents Real Estate Closing Settlements . . . But be careful of <u>benefit payments</u>



Some benefits are exempt from A&G even *after payment*

- Social Security benefits
- Federal pensions
- Military veteran benefits
- State unemployment compensation

Some benefits are exempt from A&G even *after payment*

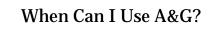
- Federal regulations place obligation on bank to determine if account holds exempt Social Security funds
- Taxpayer may complain about other types of exempt funds

When Can I Use A&G?

1. When taxes become <u>delinquent</u>

- Accrue interest on Jan. 6 (regular)
- DQ event (deferred taxes)





- 2. Taxpayer is about to become insolvent
- 3. Property is about to be - removed from jurisdiction
 - sold
- 4. Sale of fixtures/supplies by retailer going-out-of-business sale

Don't need to wait for delinquency! GS 105-366

Who can be targeted with A&G? • The responsible taxpayer(s)

Who can be targeted with A&G?

- Real Property:
 - Owner on date of delinquency (Jan. 6)and all subsequent owners!
- Personal Property:
 - -Listing owner (previous Jan. 1)
 - -Not subsequent owners!



Who can be targeted with A&G?

Coach K lists a <u>boat</u> for 2016 taxes. In May 2016 he sells his boat to Roy. 2016 taxes become delinquent 1/6/2017. Roy sells the boat to Pat in Feb. 2017.

In March 2017, whose bank account can be attached for the 2016 taxes on the boat?

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- Whose bank account may be attached for the 2016 taxes on the boat?
 - Mike
 - Roy
 - Pat
 - All of the above.

Who can be targeted with A&G?

Donald lists <u>Parcel A</u> for 2016 taxes. In May 2016 he sells Parcel A to Hillary. 2016 taxes become delinquent on 1/6/17. Hillary sells Parcel A to Bernie in February 2012.

In March 2017, whose bank account can be attached for the 2016 taxes on Parcel A?



Poll

- Whose bank account may be attached for the 2016 taxes on Parcel A?
 - Donald
 - Hillary
 - Bernie
 - Hillary or Bernie
 - All of the above

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Who can be targeted with A&G?

- Joint Bank Accounts?
- Corporations and LLC's?
- Partnerships?
- "DBA's" and sole proprietorships?

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Who can be targeted with A&G?

Heir Property?

Blog post 11/19/15



Who can be targeted with A&G?

- Banks or employers in other counties?
- Out-of-state banks?
- Out-of-state employers?
- Military?

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How do I Conduct an A&G? • First step: Find the \$\$\$!! -City/county owe \$ to taxpayer? -Banks (checks) -Employers (lists, ESC) -Rents -Escheats

Rent Attachments

How do you know if the taxpayer owns rental property?

- Owns multiple properties
- Mailing address is different than property
- Accurint search for property address shows separate individual residing on property
- Field visit

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Escheats Garnishments

- Escheated funds are unclaimed fund held by the North Carolina State Treasurer
- Garnishments may be done on individual and business taxpayers

Tips for Garnishing Escheated Funds

• Go to <u>www.nccash.com</u> and search for a name match to your delinquent citizen

Tips for Garnishing Escheated Funds

- Submit a garnishment along with proof of address that your citizen had the address listed on nccash
- Submit social security number or FEIN on the garnishment if available

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Tips for Garnishing Escheated Funds

• Submit the associated property ID number or claim form. (Claim form does not replace garnishment)

Tips for Garnishing Escheated Funds

- Keep in mind that certain property cannot be released to us with garnishments including:
 - CSC (Clerk of Superior Court funds)
 - Custodian account funds
 - Safekeeping/tangible/stock
 - Certain co-owned property

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How do I Conduct an A&G?

- Second step:
- NOTICE to taxpayer and garnishee



Notice for A&G

- Registered/Certified Mail or Personal Service - What if they refuse to sign?
- \$30 per notice
 \$60 total (usually)
- When should service fees be refunded?
- Timing?

Bank first, then wait 2 days (new!)

Notice for A&G

• Timing?

- Bank first, then wait at least 2 days?
- Taxpayer first, then employer?
- Decision is up to you

What *Should* Happen Next . . .

- Bank Account Attachment
 - -Federal benefit account review (2 days)
 - Unprotected funds frozen
 - -10 days to remit unprotected funds



What Should Happen Next . . .

• Employer Wage Garnishment -10% of gross pay every pay period

Common Responses

- "We can't attach a bank account without a Social Security number"
- "We're already garnishing the employee's wages for state (or federal) taxes and federal law says we can't garnishment more than 25% total."

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Other Common Problems

- Bankruptcy
- Errors by Bank
- Listing Errors Discovered After A&G

