MEMORANDUM

TO: Mayor & Town Council

FROM: Susan Heafner, Tax Collector

COPY TO: Mark Biberdorf, Town Manager
Heather Taylor, Assistant Town Manager

DATE: October 12, 2026

SUBJECT: Debt Setoff Hearing Officer Recommendation

Background:
N.C. General Statute §105-350 charges tax collectors "To employ all lawful means to collect all property, dog, license, privilege, and franchise taxes with which he is charged by the governing body" and authorizes specific collection remedies in G.S. §105-366 through §105-375.

Chapter 105A of the General Statues provides local governments with an additional setoff collection remedy by allowing the attachment of a taxpayer's N.C. state tax refund, N.C. lottery winnings, or other funds owed to the taxpayer by the state.

The guidelines set forth in G.S. §105A-5 require local agencies to provide written notice to the taxpayer of this impending collection effort which must contain specific information including: "The debtor has the right to contest the matter by filing a request for a hearing with the local agency…" G.S. §105A-5(c) further stipulates that "The governing body of the local agency or a person designated by the governing body must hold the hearing."

Recommendation:
Due to the January 2026 change in Fletcher tax collectors and the need to clarify certain internal processes, I recommend we designate the Town of Fletcher Finance Officer as our Debt Setoff Hearing Officer.

Attachment:
1. North Carolina General Statute §105A-5