

The Graham County Board of Commissioners met Thursday, January 23, 2014 at 4:00 p.m. for their regular workshop session in the Graham County Community Building located at 196 Knight Street Robbinsville, NC 28771. The meeting was rescheduled from the regular meeting day on Monday, January 21, 2014 due to the holiday and from the changed meeting date of Tuesday, January 21, 2014 due to the inclement weather. All commissioners were present.

1. Chairman Edwards called the workshop session to order.
2. Chairman Edwards asks Reid Miller to speak concerning a tax appeal. Clerk Crisp stated that Ms. Miller was not present at this time. Chairman Edwards asks Erma Phillips, Tax Assessor if Ms. Miller was informed of this scheduled Worksession. Ms. Phillips stated that she did inform Ms. Miller and Mr. William Miller of the meeting for today.
3. Chairman Edwards asks Ms. Phillips, Tax Assessor to present the county side of the tax appeal. Ms. Phillips stated that the county received the first request for PUV in 1983, the request was approved. Ms. Phillips stated that in 1986 an update was made to the plan recommending the timber to be harvested. Ms. Phillips stated that she sent a letter to the Millers in 2004 requesting an update of the forestry plan with a 30 day notice deadline. Ms. Phillips stated that in 2011 she sent another letter stating that the plan had not been updated and this needed to be done to qualify for the continuing tax break. Ms. Phillips stated that the plan had not been followed and the Miller property was taken out of PUV Status in 2013. Ms. Phillips stated that in the plan of 1986 white pine was not planted according to the plan, the forest was not burned after the harvest as required by the plan and the vine was not cut according to the plan. Ms. Phillips stated that logging had commenced in 2013 but was stopped which disqualified the Miller property from the PUV. Chairman Edwards stated that this seems like a 31 year problem. Ms. Phillips stated that the reason given to her to stop the logging was due to a pending sale of the property and the owner did not want the timber cut and not having a right of way to remove the timber and the lumber company was charging them more to remove the timber via the current route that was being used. Ms. Phillips stated that she had spoken with the lumber company and this was not a true statement and in fact there are two alternate routes to remove the timber. Ms. Phillips stated that she had also contacted the buyer of the property and he wanted the timber logged and would apply for the timber management plan after the purchase. Ms. Phillips stated that the sale of the property must be completed by August 2014 and the new owner will have 90 days to apply for the timber management exemption. Mr. William Miller arrived at the meeting and Chairman Edwards stated that the county was doing an extensive audit on all the PUV's in the county and stated that the commissioners would have 30 days to make a decision on the appeal. Chairman Edwards stated that if the Millers did not approve of the board's decision then they can appeal to the NC Department of Revenue. Mr. William Miller stated that he and his wife had signed a contract to sell their property and would like to be able to pay all the taxes due at closing. Mr. Miller stated that the sale of the property had to be finished by August 2014 unless for some reason he backs out. Mr. Miller stated that they were logging the property at the time of the sale and they stopped logging because the new owner requested it. Mr. Miller stated that he did not understand why his property was taken out of land management and further stated that if the property sells then they will pay all taxes at closing. Chairman Edwards asks Mr. Miller if he acknowledges that they owe the tax. Mr. Miller stated that yes he owed the tax but would like the county to defer payment until the closing of the sale. Mr. Miller stated that they never wanted to discontinue the plan and if the sale doesn't happen on the property then they want to resume the PUV. Chairman Edwards asks if the property sells then all the taxes would be paid. Mr. Miller stated that he did have to pause on the logging but would resume if the sale of the property did not go through and the reason for the pause was due to the weather and market conditions and a variety of reasons. Chairman Edwards stated that the plan doesn't say you can start then stop and that this is a 31 year old problem. Chairman Edwards asks Mr. Miller if the plan had been followed and Mr. Miller stated that it had. Chairman Edwards asks if white pine had been planted, if a burn was done and if vine control had been done. Mr. Miller stated that the plan had been changed and he did vine control. Chairman Edwards stated as a board we are auditing 300 PUV's and a discovery was made on this property for failure of following the harvesting plan. Mr. Miller stated that he doesn't dispute that they owe the money he would like for the appeal to hold off until after the land sells and if the sale doesn't go through then they want to continue with the harvesting plan. Chairman Edwards stated that they have contacted the NC Department of Revenue and they know our side. Chairman Edwards told Mr. Miller that the board would make a decision in 30 days and Ms. Erma Phillips would send them a letter of that decision. Chairman Edwards asks Ms. Phillips to speak. Ms. Phillips stated that the logging that was stopped was "overdue" and

the sale of the property came about during the logging process and she was told that the property would be sold by December 7, 2013. Ms. Phillips stated that the plan involved more than just logging and by law if anything is not followed then the plan is disqualified. Ms. Phillips stated that the taxes owed are \$47,000.00. Commissioner Williams asks Ms. Phillips if all this has been documented and letters had been sent to the property owners. Ms. Phillips had proof of the letters that had been sent. Mr. Miller asks if they could pay some each month instead of the full amount due. Commissioner Orr stated that the board would need to look at the parameters of the law. Ms. Phillips stated that Mr. Miller has had opportunity to complete the plan and this was not done and it is up to the property owner to make sure that their plans are followed due to this being a large tax break. The board thanked Mr. Miller for his time and stated that he would get a decision in 30 days.

4. Chairman Edwards asks Shelly Forman with the Smoky Mountain Center to speak. Clerk Crisp stated that Ms. Forman was not able to make the meeting. Manager Cable gave a brief review of the Smoky Mountain Center and how they emerged from seven far western counties to fifteen counties that stretch to the east of the state. Chairman Edwards stated that he had voiced his displeasure of this merge and sought every avenue to protect our interests but this has become a huge problem and urges everyone to advocate for accountability from them to our county for the eighteen million dollars that is in an account from the original seven western counties. Chairman Edwards stated that our county did not have representation to this board any longer but our finance officer Rebecca Garland did sit on a committee and hopefully can listen and help us voice our concerns.
5. Chairman Edwards asks for further comments. No further comments were given.
6. Chairman Edwards adjourned the Worksession.

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Robert M. (Mike) Edwards, Chairman, Graham County Commissioner

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Billy Holder, Vice-Chairman, Graham County Commissioner

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Keith Eller, Member, Graham County Commissioner

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Connie Orr, Member, Graham County Commissioner

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Raymond Williams, Member, Graham County Commissioner

ATTEST:

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Kim Crisp, Clerk to the Board