

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 175

Short Title: Modify \$100 Auto Tax Penalty.

(Public)

Sponsors: Senators Raynor, Tally; Soles and Ballance.

Referred to: Finance.

February 15, 1989

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE A GRACE PERIOD BEFORE THE ONE HUNDRED
2 DOLLAR PENALTY FOR FAILURE TO LIST A MOTOR VEHICLE IS DUE
3 AND TO ALLOW COUNTIES TO COMPROMISE THE PENALTY.
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5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 105-213(h1), (i), (j), (k), and (l) read as rewritten:

7 "(h1) If (i) the discovered property is a motor vehicle-vehicle, (ii) the tax on the
8 vehicle remains unpaid more than 30 days after the assessor has mailed a notice of the
9 discovery to the owner of the vehicle, and (iii) the county ~~accessor~~-assessor determines
10 from records of the Division of Motor Vehicles that the owner of the vehicle falsely
11 certified that he listed the vehicle for property taxes in violation of G.S. 20-50.2(a)(1),
12 the county assessor shall add a penalty of one hundred dollars (\$100.00) for failure to
13 list that vehicle in that county, which penalty shall be in addition to the penalties
14 imposed by subsection (h). This penalty shall be imposed only for the year in which the
15 discovery is made, regardless of the number of listing periods that elapsed before the
16 motor vehicle was discovered, and regardless of whether the owner of the vehicle
17 falsely certified that he paid taxes on the vehicle in previous years. The civil penalty in
18 this subsection shall not be imposed if the owner of the vehicle has been criminally
19 punished under G.S. 20-50.2(c) with regard to the same failure to list.

20 (i) Collection. – For purposes of tax collection and foreclosure, the total figure
21 obtained and recorded as provided in ~~subsection (h), above,~~ subsections (h) and (h1) shall
22 be deemed to be a tax for the fiscal year beginning on July 1 of the calendar year in
23 which the property was discovered. The schedule of discounts for prepayment and
24 interest for late payment applicable to taxes for the fiscal year referred to in the

1 preceding sentence shall apply when the total figure on the single tax receipt is paid.
2 Notwithstanding the time limitations contained in G.S. 105-381, any property owner
3 who is required to pay taxes on discovered property as herein provided shall be entitled
4 to a refund of any taxes erroneously paid on the same property to other taxing
5 jurisdictions in North Carolina. Claim for refund shall be filed in the county where such
6 tax was erroneously paid as provided by G.S. 105-381.

7 (j) Tax Receipts Charged to Collector. – Tax receipts prepared as required by
8 subsections ~~(h) and (i), above, (h), (h1), and (i)~~ for the taxes and penalties imposed upon
9 discovered property shall be delivered to the tax collector, and he shall be charged with
10 their collection. Such receipts shall have the same force and effect as if they had been
11 delivered to the collector at the time of the delivery of the regular tax receipts for the
12 current year, and the taxes charged in the receipts shall be a lien upon the property in
13 accordance with the provisions of G.S. 105-355.

14 (k) Power to Compromise. – After a tax receipt computed and prepared as
15 required by subsections ~~(g) and (h), above, (g), (h), and (h1)~~ has been delivered and
16 charged to the tax collector as prescribed in subsection (j), above, the board of county
17 commissioners, upon the petition of the taxpayer, may compromise, settle, or adjust the
18 county's claim for taxes arising therefrom. The board of commissioners may, by
19 resolution, delegate the authority granted by this subsection to the board of equalization
20 and review, including any board created by resolution pursuant to G.S 105-322(a) and
21 any special board established by local act.

22 (l) Except for the provision in subsection (h1) which imposes an additional
23 penalty for false certification of motor-vehicle listing, the provisions of this section shall
24 apply to all cities, towns, and other municipal corporations having the power to tax
25 property. Such governmental units shall designate an appropriate municipal officer to
26 exercise the powers and duties assigned by this section to the assessor, and the powers
27 and duties assigned to the board of county commissioners shall be exercised by the
28 governing body of the unit. When the assessor discovers property having a taxable situs
29 in a municipal corporation, he shall send a copy of the notice of discovery required by
30 subsection (d) to the governing body of the municipality together with such other
31 information as may be necessary to enable the municipality to proceed. The governing
32 board of a municipality may, by resolution, delegate the power to compromise, settle, or
33 adjust tax claims granted by this subsection and by subsection (k) of this section to the
34 county board of equalization and review, including any board created by resolution
35 pursuant to G.S. 105-322(a) and any special board established by local act.”

36 Sec. 2. Effective for taxable years beginning on or after January 1, 1988, and
37 before December 31, 1989, a county may release or refund all or part of the penalty
38 imposed by G.S. 105-312(h1) if it determines that the taxpayer's false certification
39 under that subsection was not made intentionally to avoid payment of the tax. The
40 board of county commissioners may, by resolution, delegate this authority to the county
41 finance officer or another county official.

42 Sec. 3. Section 2 of this act is effective for taxable years beginning on or
43 after January 1, 1988, and before December 31, 1989; the remainder of this act is
44 effective for taxable years beginning on or after January 1, 1989.