

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 616
Finance Committee Substitute Adopted 5/9/17

Short Title: Limit Look-Back for Immaterial Irregularities.

(Public)

Sponsors:

Referred to:

April 5, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO CONFORM THE PROCEDURES FOR PROPERTY TAX IMMATERIAL
3 IRREGULARITIES TO THE PROCEDURES FOR PROPERTY TAX DISCOVERIES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-394 reads as rewritten:

6 "**§ 105-394. Immaterial irregularities.**

7 (a) Valid Tax. – Immaterial irregularities in the listing, appraisal, or assessment of
8 property for taxation or in the levy or collection of the property tax or in any other proceeding
9 or requirement of this Subchapter shall not invalidate the tax imposed upon any property or any
10 process of listing, appraisal, assessment, levy, collection, or any other proceeding under this
11 Subchapter.

12 The following are examples of immaterial irregularities:

13 ...
14 (b) Collection. – When an immaterial irregularity is discovered, the property shall be
15 taxed for the year in which the immaterial irregularity is discovered and for any of the
16 preceding five years during which it escaped proper taxation in accordance with the assessed
17 value it should have been assigned in each of the years for which it is to be taxed and the rate of
18 tax imposed in each such year. For purposes of tax collection and foreclosure, the amount
19 computed under this subsection is deemed to be a tax for the fiscal year beginning on July 1 of
20 the calendar year in which the immaterial irregularity was discovered. The schedule of
21 discounts for prepayment and interest for late payment applicable to taxes for the fiscal year
22 referred to in the preceding sentence shall apply when the total figure on the single tax receipt
23 is paid. The taxes shall be a lien on the property as provided in G.S. 105-355.

24 (c) Notice and Appeal. – Except as otherwise provided in this section, the notice and
25 appeal procedures for discovered property under G.S. 105-312 apply to this section. The
26 assessor shall prepare a tentative tax receipt based upon the correction of the immaterial
27 irregularity, as allowed under subsection (b) of this section. The assessor shall mail a notice to
28 the person in whose name the property is listed and the notice shall contain the following
29 information:

- 30 (1) The name and address of the person in whose name the property is listed.
31 (2) A brief description of the property.
32 (3) A brief description of the immaterial irregularity.
33 (4) A brief description of the correction of the immaterial irregularity.
34 (5) A statement to the effect that the correction of the immaterial irregularity
35 and the tentative tax receipt will become final unless written exception
36 thereto is filed with the assessor within 30 days from date of the notice.



1 (d) Power to Compromise. – After a tax receipt has been delivered and charged to the
2 tax collector, the board of commissioners, upon the petition of the taxpayer, may compromise,
3 settle, or adjust the county's claim for taxes arising from an immaterial irregularity to the same
4 extent as provided for discovered property in G.S. 105-312(k)."

5 **SECTION 2.** This act is effective when it becomes law.