

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

**SESSION LAW 2001-497
HOUSE BILL 72**

AN ACT TO EXTEND THE DEADLINE FOR APPLYING FOR A RELEASE OR REFUND OF PROPERTY TAXES AFTER THE OWNER HAS SURRENDERED THE VEHICLE LICENSE PLATE, AND TO CAP THE HIGHWAY USE TAX ON CERTAIN RECREATIONAL VEHICLES AT \$1,500 PER VEHICLE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 105-330.6(c), as amended by S.L. 2001-406, reads as rewritten:

"(c) Surrender of Plates. – If the owner of a classified motor vehicle listed pursuant to G.S. 105-330.3(a)(1) either transfers the motor vehicle to a new owner or moves out-of-state and registers the vehicle in another jurisdiction, and the owner surrenders the registration plates from the listed vehicle to the Division of Motor Vehicles, then the owner may apply for a release or refund of taxes on the vehicle for any full calendar months remaining in the vehicle's tax year after the date of surrender. To apply for a release or refund, the owner must present to the county tax collector within ~~120 days~~ one year after surrendering the plates the receipt received from the Division of Motor Vehicles accepting surrender of the registration plates. The county tax collector shall then multiply the amount of the taxes for the tax year on the vehicle by a fraction, the denominator of which is 12 and the numerator of which is the number of full calendar months remaining in the vehicle's tax year after the date of surrender of the registration plates. The product of the multiplication is the amount of taxes to be released or refunded. If the taxes have not been paid at the date of application, the county tax collector shall make a release of the prorated taxes and credit the owner's tax notice with the amount of the release. If the taxes have been paid at the date of application, the county tax collector shall direct an order for a refund of the prorated taxes to the county finance officer, and the finance officer shall issue a refund to the vehicle owner."

SECTION 1.(b) This section is effective when it becomes law.

SECTION 2.(a) G.S. 105-187.3(a), as amended by Section 34.24 of S.L. 2001-424, reads as rewritten:

"(a) Amount. – The rate of the use tax imposed by this Article is three percent (3%) of the retail value of a motor vehicle for which a certificate of title is issued. The tax is payable as provided in G.S. 105-187.4. ~~The tax may not be more than maximum tax is~~ one thousand dollars (\$1,000) for each certificate of title issued for a Class A or Class B motor vehicle that is a commercial motor vehicle, as defined in G.S. 20-4.01. The maximum tax is one thousand five hundred dollars (\$1,500) for each certificate of title issued for a recreational vehicle that is not subject to the one thousand dollar (\$1,000) maximum tax."

SECTION 2.(b) G.S. 105-187.1, as amended by Section 34.24 of S.L. 2001-424, reads as rewritten:

"§ 105-187.1. Definitions.

The following definitions and the definitions in G.S. 105-164.3 apply to this Article:

- (1) Commissioner. – The Commissioner of Motor Vehicles.
- (2) Division. – The Division of Motor Vehicles, Department of Transportation.

- (3) Long-term lease or rental. – A lease or rental made under a written agreement to lease or rent property to the same person for a period of at least 365 continuous days.
- ~~(3a) Rescue squad. – An organization that provides rescue services, emergency medical services, or both.~~
- ~~(3b) Retailer. – A retailer as defined in G.S. 105-164.3 who is engaged in the business of selling, leasing, or renting motor vehicles.~~
- ~~(4) Short term lease or rental. – A lease or rental that is not a long term lease or rental.~~
- (4) Recreational vehicle. – A motorized or towable vehicle that combines transportation and temporary living quarters for travel, recreation, and camping. To qualify as a motorized recreational vehicle, the vehicle must be a camping and travel vehicle built on or as an integral part of a self-propelled motor vehicle chassis. If a towable vehicle is of such size or weight as to require a special highway movement permit, it is not a recreational vehicle. Towable recreational vehicles include travel trailers, fifth-wheel travel trailers, folding camping trailers, and truck campers.
- (5) Rescue squad. – An organization that provides rescue services, emergency medical services, or both.
- (6) Retailer. – A retailer as defined in G.S. 105-164.3 who is engaged in the business of selling, leasing, or renting motor vehicles.
- (7) Short-term lease or rental. – A lease or rental that is not a long-term lease or rental."

SECTION 2.(c) G.S. 105-187.5(b), as amended by Section 34.24 of S.L. 2001-424, reads as rewritten:

"(b) Rate. – The tax rate on the gross receipts from the short-term lease or rental of a motor vehicle is eight percent (8%) and the tax rate on the gross receipts from the long-term lease or rental of a motor vehicle is three percent (3%). Gross receipts does not include the amount of any allowance given for a motor vehicle taken in trade as a partial payment on the lease or rental price. The maximum tax in G.S. 105-187.3(a) on certain ~~commercial~~ motor vehicles applies to a continuous lease or rental of such a motor vehicle to the same person."

SECTION 2.(d) This section is effective when it becomes law and applies retroactively to certificates of title issued on or after October 1, 2001.

In the General Assembly read three times and ratified this the 5th day of December, 2001.

s/ Beverly E. Perdue
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 7:24 p.m. this 19th day of December, 2001