

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE DRS65195-MCx-104 (3/13)

Short Title: Property Tax Reform Act Of 2007. (Public)

Sponsors: Senators Clodfelter, Goss, Queen, Snow, Boseman, and Nesbitt.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REFORM THE PROPERTY TAX LAWS OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

PART I. TIMING OF PROPERTY TAX REVALUATIONS.

SECTION 1.1. G.S. 105-286 reads as rewritten:

"§ 105-286. Time for general reappraisal of real property.

(a) ~~Octennial Plan.~~ Unless the date shall be advanced as provided in subdivision (a)(2), below, each county of the State, as of January 1 of the year prescribed in the schedule set out in subdivision (a)(1), below, and every eighth year thereafter, shall reappraise all real property in accordance with the provisions of G.S. 105-283 and 105-317.

(1) ~~Schedule of Initial Reappraisals.—~~

~~Division One—1972: Avery, Camden, Cherokee, Cleveland, Cumberland, Guilford, Harnett, Haywood, Lee, Montgomery, Northampton, and Robeson.~~

~~Division Two—1973: Caldwell, Carteret, Columbus, Currituck, Davidson, Gaston, Greene, Hyde, Lenoir, Madison, Orange, Pamlico, Pitt, Richmond, Swain, Transylvania, and Washington.~~

~~Division Three—1974: Ashe, Buncombe, Chowan, Franklin, Henderson, Hoke, Jones, Pasquotank, Rowan, and Stokes.~~

~~Division Four—1975: Alleghany, Bladen, Brunswick, Cabarrus, Catawba, Dare, Halifax, Macon, New Hanover, Surry, Tyrrell, and Yadkin.~~

~~Division Five—1976: Bertie, Caswell, Forsyth, Iredell, Jackson, Lincoln, Onslow, Person, Perquimans, Rutherford, Union, Vance, Wake, Wilson, and Yancey.~~

1 ~~Division Six — 1977: Alamance, Durham, Edgecombe, Gates,~~
2 ~~Martin, Mitchell, Nash, Polk, Randolph, Stanly, Warren, and Wilkes.~~

3 ~~Division Seven — 1978: Alexander, Anson, Beaufort, Clay, Craven,~~
4 ~~Davie, Duplin, and Granville.~~

5 ~~Division Eight — 1979: Burke, Chatham, Graham, Hertford,~~
6 ~~Johnston, McDowell, Mecklenburg, Moore, Pender, Rockingham,~~
7 ~~Sampson, Scotland, Watauga, and Wayne.~~

8 (2) ~~Advancing Scheduled Octennial Reappraisal. — Any county desiring to~~
9 ~~conduct a reappraisal of real property earlier than required by this~~
10 ~~subsection (a) may do so upon adoption by the board of county~~
11 ~~commissioners of a resolution so providing. A copy of any such~~
12 ~~resolution shall be forwarded promptly to the Department of Revenue.~~
13 ~~If the scheduled date for reappraisal for any county is advanced as~~
14 ~~provided herein, real property in that county shall thereafter be~~
15 ~~reappraised every eighth year following the advanced date unless, in~~
16 ~~accordance with the provisions of this subdivision (a)(2), an earlier~~
17 ~~date shall be adopted by resolution of the board of county~~
18 ~~commissioners, in which event a new schedule of octennial~~
19 ~~reappraisals shall thereby be established for that county.~~

20 Appraisal. — Each county of the State shall reappraise all real property in accordance
21 with the provisions of G.S. 105-283 and G.S.105-317 in any year following a year in
22 which the sales assessment ratio, as defined in G.S. 105-289(h) does not exceed .90.

23 ~~(b) Fourth Year Horizontal Adjustments. — As of January 1 of the fourth year~~
24 ~~following a reappraisal of real property conducted under the provisions of subsection~~
25 ~~(a), above, each county shall review the appraised values of all real property and~~
26 ~~determine whether changes should be made to bring those values into line with then~~
27 ~~current true value. If it is determined that the appraised value of all real property or of~~
28 ~~defined types or categories of real property require such adjustment, the assessor shall~~
29 ~~revise the values accordingly by horizontal adjustments rather than by actual appraisal~~
30 ~~of individual properties: That is, by uniform application of percentages of increase or~~
31 ~~reduction to the appraised values of properties within defined types or categories or~~
32 ~~within defined geographic areas of the county.~~

33 ~~(c) Value to Be Assigned Real Property When Not Subject to Appraisal. — In~~
34 ~~years in which real property within a county is not subject to reappraisal under~~
35 ~~subsections (a) or (b), subsection (a), above, or under G.S. 105-287, it shall be listed at~~
36 ~~the value assigned when last appraised under this section or under G.S. 105-287."~~

37 **SECTION 1.2.** G.S. 105-287 reads as rewritten:

38 **"§ 105-287. Changing appraised value of real property in years in which general**
39 **reappraisal or horizontal adjustment is not made.**

40 (a) In a year in which a general reappraisal or horizontal adjustment of real
41 property in the county is not made, the assessor shall increase or decrease the appraised
42 value of real property, as determined under G.S. 105-286, to recognize a change in the
43 property's value resulting from one or more of the reasons listed in this subsection. The

1 reason necessitating a change in the property's value need not be under the control of or
2 at the request of the owner of the affected property.

3 (1) Correct a clerical or mathematical error.

4 (2) Correct an appraisal error resulting from a misapplication of the
5 schedules, standards, and rules used in the county's most recent general
6 ~~reappraisal or horizontal adjustment~~ reappraisal.

7 (2a) Recognize an increase or decrease in the value of the property
8 resulting from a conservation or preservation agreement subject to
9 Article 4 of Chapter 121 of the General Statutes, the Conservation and
10 Historic Preservation Agreements Act.

11 (2b) Recognize an increase or decrease in the value of the property
12 resulting from a physical change to the land or to the improvements on
13 the land, other than a change listed in subsection (b) of this section.

14 (2c) Recognize an increase or decrease in the value of the property
15 resulting from a change in the legally permitted use of the property.

16 (3) Recognize an increase or decrease in the value of the property
17 resulting from a factor other than one listed in subsection (b).

18 (b) In a year in which a general reappraisal ~~or horizontal adjustment~~ of real
19 property in the county is not made, the assessor may not increase or decrease the
20 appraised value of real property, as determined under G.S. 105-286, to recognize a
21 change in value caused by:

22 (1) Normal, physical depreciation of improvements;

23 (2) Inflation, deflation, or other economic changes affecting the county in
24 general; or

25 (3) Betterments to the property made by:

26 a. Repainting buildings or other structures;

27 b. Terracing or other methods of soil conservation;

28 c. Landscape gardening;

29 d. Protecting forests against fire; or

30 e. Impounding water on marshland for non-commercial purposes
31 to preserve or enhance the natural habitat of wildlife.

32 (c) An increase or decrease in the appraised value of real property authorized by
33 this section shall be made in accordance with the schedules, standards, and rules used in
34 the county's most recent general ~~reappraisal or horizontal adjustment~~ reappraisal. An
35 increase or decrease in appraised value made under this section is effective as of
36 January 1 of the year in which it is made and is not retroactive. This section does not
37 modify or restrict the provisions of G.S. 105-312 concerning the appraisal of discovered
38 property.

39 (d) Notwithstanding subsection (a), if a tract of land has been subdivided into lots
40 and more than five acres of the tract remain unsold by the owner of the tract, the
41 assessor may appraise the unsold portion as land acreage rather than as lots. A tract is
42 considered subdivided into lots when the lots are located on streets laid out and open for
43 travel and the lots have been sold or offered for sale as lots since the last appraisal of the
44 property."

1
2 **PART II. ELIMINATE PROPERTY TAX EXEMPTIONS BASED ON BOND**
3 **FINANCING.**

4 **SECTION 2.** G.S. 131A-21 is repealed.

5
6 **PART III. SYSTEM OF APPRAISAL FOR CABLE COMPANIES BY THE**
7 **DEPARTMENT OF REVENUE.**

8 **SECTION 3.1.** G.S. 105-333 reads as rewritten:

9 "Article 23.

10 "Public Service Companies.

11 **"§ 105-333. Definitions.**

12 The following definitions apply in this Article unless the context requires a different
13 meaning:

- 14 (1) Airline company. – A company engaged in the business of transporting
15 passengers and property by aircraft for hire within, into, or from this
16 State.
- 17 (2) Bus line company. – A company engaged in the business of
18 transporting passengers and property by motor vehicle for hire over the
19 public highways of this State (but not including a bus line company
20 operating primarily upon the public streets within a single local taxing
21 unit), whether the transportation is within, into, or from this State.
- 22 (2a) Cable company. – A company engaged in the business of providing
23 cable service as defined in G.S. 105-164.3, over a cable system, as
24 defined in 47 U.S.C. § 522.
- 25 (3) Distributable system property. – All real property and personal
26 property owned or used by a railroad company other than
27 nondistributable system property.
- 28 (4) Electric membership corporation. – A company organized,
29 reorganized, or domesticated under Chapter 117 of the General
30 Statutes and engaged in the business of supplying electricity for light,
31 heat, or power to consumers in this State.
- 32 (5) Electric power company. – A company engaged in the business of
33 supplying electricity for light, heat, or power to consumers in this
34 State.
- 35 (6) Repealed by Session Laws 1973, c. 783, s. 5.
- 36 (7) Flight equipment. – Aircraft fully equipped for flying and used in any
37 operation within this State.
- 38 (8) Gas company. – A company engaged in the business of supplying
39 artificial or natural gas to, from, within, or through this State through
40 pipe or tubing for light, heat, or power to consumers in this State.
- 41 (9) Locally assigned rolling stock. – Rolling stock that is owned or leased
42 by a motor freight carrier company, specifically assigned to a terminal
43 or other premises, and regularly used at the premises to which
44 assigned.

- 1 (10) Motor freight carrier company. – A company engaged in the business
2 of transporting property by motor vehicle for hire over the public
3 highways of this State as provided in this subdivision:
4 a. As to interstate carrier companies domiciled in North Carolina,
5 this term includes carriers who regularly transport property by
6 tractor trailer to or from one or more terminals owned or leased
7 by the carrier outside this State or two or more terminals inside
8 this State. For purposes of appraisal and allocation only, the
9 term also includes a North Carolina interstate carrier that does
10 not have a terminal outside this State but whose operations
11 outside the State are sufficient to require the payment of ad
12 valorem taxes on a portion of the value of the rolling stock of
13 the carrier to taxing units in one or more other states.
14 b. As to interstate carrier companies domiciled outside this State,
15 this term includes carriers who regularly transport property by
16 tractor trailer to or from one or more terminals owned or leased
17 by the carrier inside this State.
18 c. As to intrastate carrier companies, this term includes only those
19 carriers that are engaged in the transportation of property by
20 tractor trailer to or from two or more terminals owned or leased
21 by the carrier in this State.
- 22 (11) Nondistributable system property. – The following properties owned
23 by a railroad company: land other than right-of-way, depots, machine
24 shops, warehouses, office buildings, other structures, and the contents
25 of the structures listed in this subdivision.
- 26 (12) Nonsystem property. – The real and tangible personal property owned
27 by a public service company but not used in its public service
28 activities.
- 29 (13) Pipeline company. – A company engaged in the business of
30 transporting natural gas, petroleum products, or other products through
31 pipelines to, from, within, or through this State, or having control of
32 pipelines for such a purpose.
- 33 (14) Public service company. – A railroad company, a pipeline company, a
34 gas company, an electric power company, an electric membership
35 corporation, a telephone company, a cable company, ~~a telegraph~~
36 ~~company~~, a bus line company, an airline company, or a motor freight
37 carrier company. The term also includes any company performing a
38 public service that is regulated by the United States Department of
39 Energy, the United States Department of Transportation, the Federal
40 Communications Commission, the Federal Aviation Agency, or the
41 North Carolina Utilities Commission, except that the term does not
42 include a water company, a radio common carrier company as defined
43 in G.S. 62-119(3), a cable television company, or a radio or television
44 broadcasting company.

- 1 (15) Railroad company. – A company engaged in the business of operating
2 a railroad to, from, within or through this State on rights-of-way
3 owned or leased by the company. It also means a company operating a
4 passenger service on the lines of any railroad located wholly or partly
5 in this State.
- 6 (16) Rolling stock. – Motor vehicles, railroad locomotives, and railroad
7 cars that are propelled by mechanical or electrical power and used
8 upon the highways or, in the case of railroad vehicles, upon tracks.
- 9 (17) System property. – The real property and personal property used by a
10 public service company in its public service activities. The term also
11 includes public service company property under construction on the
12 day as of which property is assessed which when completed will be
13 used by the owner in its public service activities.
- 14 ~~(18) Telegraph company. – A company engaged in the business of~~
15 ~~transmitting telegraph messages to, from, within, or through the State.~~
- 16 (19) Telephone company. – A company engaged in the business of
17 transmitting telephone messages and conversations to, from, within, or
18 through this State.
- 19 (20) Repealed by Session Laws 1973, c. 783, s. 5.
- 20 (21) True value. – Defined in G.S. 105-283.

21 **SECTION 3.2.** G.S. 105-335 reads as rewritten:

22 **"§ 105-335. Appraisal of property of public service companies.**

23 (a) Duty to Appraise. – ~~In accordance with the provisions of subsection (b),~~
24 ~~below, the~~The Department of Revenue shall must appraise for taxation the true value of
25 each public service company ~~(other than bus line, motor freight carrier, and airline~~
26 ~~companies) as a system (both inside and outside this State). Certain specified properties~~
27 ~~of bus line, motor freight carrier, and airline companies shall be appraised by the~~
28 ~~Department in accordance with the provisions of subsection (c), below, and all other~~
29 ~~properties of such companies shall be listed, appraised, and assessed in the manner~~
30 ~~prescribed by this Subchapter for the properties of taxpayers other than public service~~
31 ~~companies in accordance with this section.~~

32 (b) ~~Property of Public Service Companies Other Than Those Noted in Subsection~~
33 ~~(c)-Electric, Gas, Pipeline, Telephone, and Cable Companies. –~~

- 34 (1) System Property. – Each year, as of January 1, the Department of
35 Revenue shall must appraise at its true value ~~(as defined in~~
36 ~~G.S. 105-283)~~ the system property used by each public service
37 company both inside and outside this State. Property leased by a public
38 service company shall be included in appraising the value of its system
39 property if necessary to ascertain the true value of the company's
40 system property.
- 41 (2) Nonsystem Personal Property. – Each year as of January 1, the
42 Department shall appraise at its true value ~~(as defined in G.S. 105-283)~~
43 each public service company's nonsystem tangible personal property
44 subject to taxation in this State.

- 1 (3) Nonsystem Real Property. – In accordance with the county in which
2 the public service company's nonsystem real property is located and
3 the schedules set out in G.S. 105-286 and 105-287, the Department of
4 Revenue shall appraise at its true value ~~(as defined in G.S. 105-283)~~
5 each public service company's nonsystem real property subject to
6 taxation in this State.
- 7 (c) Property of Bus Line, Motor Freight Carrier, and Airline Companies. –
- 8 (1) Bus Company Rolling Stock. – Each year as of January 1, the
9 Department shall appraise at its true value ~~(as defined in G.S. 105-283)~~
10 the rolling stock owned or leased by or operated under the control of
11 each bus line company, which bus line company is domiciled in this
12 State or which is regularly engaged in business in this State.
- 13 (2) Motor Freight Carrier Company Rolling Stock. – Each year as of
14 January 1, the Department shall appraise at its true value ~~(as defined in~~
15 ~~G.S. 105-283)~~ the rolling stock owned by a motor freight carrier
16 company or leased by a motor freight carrier company and operated by
17 its employees which motor freight carrier company is domiciled in this
18 State or is regularly engaged in business in this State at a terminal
19 owned or leased by the carrier.
- 20 (3) Flight Equipment. – Each year, as of January 1, the Department shall
21 appraise at its true value ~~(as defined in G.S. 105-283)~~ the flight
22 equipment owned or leased by or operated under the control of each
23 airline company that is domiciled in the State or that is regularly
24 engaged in business at some airport in this State."

25 **SECTION 3.3.** G.S. 105-338 reads as rewritten:

26 **"§ 105-338. Allocation of appraised valuation of system property among local**
27 **taxing units.**

28 (a) State Board's Duty. – For purposes of taxation by local taxing units in this
29 State, the Department of Revenue shall allocate the valuations of public service
30 company property among the local taxing units in accordance with the provisions of this
31 section.

32 (b) System Valuation of ~~Companies Other Than Those Noted in Subsection~~
33 ~~(e)-~~Electric, Gas, Pipeline, Railroad, Telephone, and Cable Companies. –

34 (1) System Property of Railroad Companies. – The appraised valuation of
35 the distributable system property of a railroad shall be allocated for
36 taxation to the local taxing units in accordance with the ratio of the
37 miles of all the company's tracks in the local taxing unit to the total
38 miles of all the company's tracks in this State, adjusted to reflect
39 density of traffic in the local taxing unit.

40 (2) System Property of Telephone and Cable Companies. –

41 a. The Department of Revenue shall divide ~~each telephone~~
42 ~~company's~~the system property of each telephone company and
43 cable company in this State into the following two classes and
44 shall determine the original cost of that property and the

percentage thereof represented by the property in each of the two classes.

– Class 1: Property located in this State that is identified under the applicable uniform system of accounts as central office equipment, ~~large P.B.X.~~ personal communication service equipment, motor vehicles, tools and work equipment, office furniture and equipment, materials and supplies, and land and buildings (including towers and other structures).

– Class 2: Property located in this State that does not come within Class 1.

The Department of Revenue shall then apply the percentages obtained in accordance with this subdivision to the appraised valuation of the company's system property in this State and thereby derive the proportions of appraised valuation to be allocated as Class 1 and Class 2 valuations to local taxing units in accordance with subdivision (b)(2)b, below.

b. Having made the division required by subdivision (b)(2)a, above, the Department of Revenue shall allocate the appraised valuation of the properties in each class among the local taxing units of the State as follows:

– Class 1: The appraised valuations of property in this class shall be allocated among the local taxing units in which such property of the company is situated on January 1 in the proportion that the original cost of such property in the taxing unit bears to the original cost of all such property in this State.

– Class 2: The appraised valuations of property in this class shall be allocated among the local taxing units in which the company operates in the proportion that the miles of the company's ~~single aerial wire and single wire in cable (including single tube in coaxial cable)~~ transmission wires or cables in the taxing unit bears to the company's total of such wire or cable miles of the company in this State.

(3) ~~System Property of Other Companies Appraised by the Department of Revenue. Electric, Gas, and Pipeline Companies.~~ –

a. The provisions of this subdivision (b)(3) shall govern the allocation of the property of ~~all companies appraised by the Department of Revenue except railroad, telephone, bus line, motor freight carrier, and airline companies.~~ electric, gas, and pipeline companies.

b. The appraised valuation of the system property of such a company shall be allocated for taxation to the local taxing units in which the company operates in the proportion that the original cost of the taxable system property in the local taxing unit on January 1 bears to the original cost of all the taxable

1 system property in this State. If in any local taxing unit the
2 company owns system property acquired prior to January 1,
3 1972, for which the original cost cannot be definitely
4 ascertained, a reasonable estimate of the original cost of that
5 property shall be made by the company, and this estimate shall
6 be used by the Department of Revenue for allocation purposes
7 as if it were the actual original cost of the property.

8 (c) Property of Bus Line, Motor Freight Carrier, and Airline Companies. –

9 (1) The appraised valuation of a bus line company's rolling stock shall be
10 allocated for taxation to each local taxing unit according to the ratio of
11 the company's scheduled miles during the calendar year preceding
12 January 1 in each such unit to the company's total scheduled miles in
13 this State for the same period. In no event, however, shall the State
14 Board make an allocation to a taxing unit if, when computed, the
15 valuation for that taxing unit amounts to less than five hundred dollars
16 (\$500.00).

17 (2) The appraised valuation of the rolling stock (other than locally
18 assigned rolling stock) owned or leased by a motor freight carrier
19 company shall be allocated for taxation to each local taxing unit in
20 which the company has a terminal according to the ratio of the tons of
21 freight handled in the calendar year preceding January 1 at the
22 company's terminals within the taxing unit to the total tons of freight
23 handled by the company in this State in the same period. If a North
24 Carolina interstate motor freight carrier company has no terminal
25 outside this State, but has been required to pay ad valorem tax to one
26 or more taxing units outside this State, there shall be allowed a
27 reduction in the North Carolina valuation measured by the ratio of the
28 rolling stock subject to ad valorem taxation outside the State to all of
29 the carrier's rolling stock.

30 (3) The appraised valuation of an airline company's flight equipment shall
31 be allocated for taxation to each local taxing unit in which an airport
32 used by the company is situated according to the ratio obtained by
33 averaging the following two ratios: the ratio of the company's ground
34 hours in the taxing unit in the year preceding January 1 to the
35 company's ground hours in the State in the same period, and the ratio
36 of the company's gross revenue in the taxing unit in the year preceding
37 January 1 to the company's gross revenue in the State in the same
38 period."
39

40 PART IV. SPECIAL RESIDENTIAL APPRAISAL CRITERIA.

41 SECTION 4.1. Article 12 of Chapter 105 of the General Statutes is amended
42 by adding a new section to read:

43 **"§ 105-278.2A. Nonconforming residential property.**

1 (a) Class Defined. – Nonconforming residential property is hereby designated a
2 special class of property under authority of Article V, Section 2(2) of the North Carolina
3 Constitution and shall be taxed in accordance with this section.

4 (b) Application. – An initial application must be filed during the regular listing
5 period of the year for which the benefit of this classification is first claimed, or within
6 30 days of the date shown on a notice of a change in valuation made pursuant to
7 G.S. 105-286 or G.S. 105-287. A new application is not required to be submitted unless
8 the property is transferred. An application required due to transfer of the land may be
9 submitted at any time during the calendar year but must be submitted within 60 days of
10 the date of the property's transfer.

11 (b) Nonconforming residential property is property that meets all of the following
12 requirements as of January 1 preceding the taxable year for which the benefit is
13 claimed:

14 (1) Is used as a permanent residence.

15 (2) Is located in a subdivision that is zoned for a use other than single
16 family residential use.

17 (3) Is located in a subdivision that has been rezoned more than five years
18 ago from single family residential use to a use other than single family
19 residential use.

20 (4) Is located in a subdivision that is predominantly characterized by
21 single family residential use.

22 (c) Upon receipt of a properly executed application, the assessor must appraise
23 the property at its present-use value as established in the schedule prepared pursuant to
24 G.S. 105-317."

25 **SECTION 4.2.** G.S. 105-282.1(a)(2) reads as rewritten:

26 "(2) Single application required. – An owner of one or more of the
27 following properties eligible to be exempted or excluded from taxation
28 must file an application for exemption or exclusion to receive it. Once
29 the application has been approved, the owner does not need to file an
30 application in subsequent years unless new or additional property is
31 acquired or improvements are added or removed, necessitating a
32 change in the valuation of the property, or there is a change in the use
33 of the property or the qualifications or eligibility of the taxpayer
34 necessitating a review of the exemption or exclusion:

35 a. Property exempted from taxation under G.S. 105-278.3,
36 105-278.4, 105-278.5, 105-278.6, 105-278.7, or 105-278.8.

37 b. Special classes of property excluded from taxation under
38 G.S. 105-275(3), (7), (8), (12), (17), (18), (19), (20), (21), (35),
39 (36), (38), (39), or (41) or under G.S. 131A-21.

40 c. Special classes of property classified for taxation at a reduced
41 valuation under G.S. 105-277(h), 105-277.1, 105-277.10,
42 105-277.13, ~~105-278.~~105-278, or 105-278.2A.

43 d. Property owned by a nonprofit homeowners' association but
44 where the value of the property is included in the appraisals of

1 property owned by members of the association under
2 G.S. 105-277.8."
3

4 **PART V. MONTHLY PROPERTY TAX STATEMENTS.**

5 **SECTION 5.1.** Mecklenburg County is directed to develop and implement a
6 plan that provides property taxpayers in the county the ability to pay their property taxes
7 in six to 12 periodic installments. This may be accomplished by incorporating a
8 property tax payment on a bill that is currently issued by the county, such as a
9 consolidated water and sewer service bill, an automatic bank draft program,, or another
10 method. A plan meets the requirements of this section if it applies to at least seventy-
11 five percent (75%) of the taxpayers. The county must report its plan to the Revenue
12 Laws Study Committee by February 1, 2008.

13 **SECTION 5.2.** G.S. 105-320 reads as rewritten:

14 **"§ 105-320. Tax receipts; preparation.**

15 (a) No taxing unit shall adopt a tax receipt form until it has been approved by the
16 Department of Revenue, and no tax receipt form shall be approved unless it shows at
17 least the following information:

18 ...

19 (6) The rate of tax levied for each unit-wide purpose, the total rate levied
20 for all unit-wide purposes, and the rate levied by or for any special
21 district or subdivision of the unit in which the taxpayer's property is
22 subject to taxation. ~~(In lieu of showing this information on the tax~~
23 ~~receipt, it~~ (Other than separately stating the rate of tax for public
24 school purposes and the total rate of tax for all other purposes on the
25 receipt, the information required under this subdivision may be
26 furnished on a separate sheet of paper, properly identified, at the time
27 the official receipt is delivered upon payment).

28 ..."
29

30 **PART VI. PROPERTY TAX COLLECTION ON MOBILE HOMES.**

31 **SECTION 6.1.** G.S. 105-316.1 reads as rewritten:

32 **"§ 105-316.1. Tax permit required to move or repossess mobile home.**

33 (a) In order to protect the local taxing units of this State against the nonpayment
34 of ad valorem taxes on mobile homes, ~~it is hereby declared to be unlawful for any~~ a
35 ~~person other than a mobile home manufacturer or retailer to~~ may not remove or cause to
36 be removed any mobile home situated at a premises in this State without first obtaining
37 a tax permit from the tax collector of the county in which the mobile home is situated.
38 This section also applies to a person who takes possession of a mobile home, whether
39 by judicial or nonjudicial authority, as a holder of a lien on the mobile home and who
40 either moves the mobile home to another location or sells the mobile home on site. The
41 tax permit shall be conspicuously displayed near the license tag on the rear of the
42 mobile home at all times during its transportation. Permits required by G.S. 105-316.1
43 through 105-316.8 may be obtained at the office of the county tax collector during
44 normal business hours.

1 (b) ~~Except as provided in G.S. 105-316.4, manufacturers, retailers and licensed~~
2 ~~carriers of mobile homes shall not be required to obtain the tax permits required by this~~
3 ~~section. Persons or firms transporting mobile homes shall, however, be responsible for~~
4 ~~seeing that a proper license tag, and when required under this section, a tax permit, are~~
5 ~~properly displayed thereon at all times during their transportation. This section does not~~
6 apply to a mobile home manufacturer or retailer who moves a mobile home from its
7 factory or sales lot to a premises owned or leased by the purchaser of the mobile home."

8 **SECTION 6.2.** G.S. 105-316.2 reads as rewritten:

9 "**§ 105-316.2. Requirements for obtaining permit.**

10 (a) ~~In order to obtain the permits herein provided, persons other than~~
11 ~~manufacturers and retailers of mobile homes shall be required to (i) pay all taxes due to~~
12 ~~be paid by the owner to the county or to any other taxing unit therein; or (ii) show proof~~
13 ~~the tax collector that no taxes are due to be paid; or (iii) demonstrate to the tax collector~~
14 ~~that the removal of the mobile home will not jeopardize the collection of any taxes due~~
15 ~~or to become due to the county or to any taxing unit therein.~~

16 (b) ~~In addition to complying with the provisions of subsection (a) above, owners~~
17 ~~of mobile homes required to obtain the permits herein provided~~Before moving a mobile
18 home, the owner of a mobile home must apply for a permit as required by
19 G.S. 105-316.1, and either pay all taxes due by the owner to the county and to any other
20 taxing unit in the county or show proof to the tax collector that no taxes are due to be
21 paid. The owner shall also furnish the following information to the tax collector:

- 22 (1) The name and address of the owner,
- 23 (2) The address or location of the premises from which the mobile home is
24 to be moved,
- 25 (3) The address or location of the place to which the mobile home is to be
26 moved, and
- 27 (4) The name and address of the carrier who is to transport the mobile
28 home.

29 (b) Before taking possession of a mobile home, the holder of a lien on the mobile
30 home must apply for a permit as required by G.S. 105-316.1 and either pay all taxes due
31 on the mobile home or show proof to the tax collector that no taxes are due to be paid
32 on the mobile home. The holder of the lien must also notify the tax collector of the
33 location in North Carolina to which the mobile home is to be taken or if the mobile
34 home will be sold on site."

35 **SECTION 6.3.** G.S. 105-316.3 reads as rewritten:

36 "**§ 105-316.3. Issuance of permits.**

37 (a) ~~Except as otherwise provided in G.S. 105-316.2 above, no~~No permit required
38 by G.S. 105-316.1 through 105-316.8 shall be issued by the tax collector unless and
39 until all taxes due to be paid by the owner to the county or to any other taxing unit
40 therein, either the owner or the reposessing agent, including any penalties or interest
41 thereon, have been paid. Any taxes which have not yet been computed but which will
42 become due during the current calendar year shall be determined as in the case of
43 prepayments.

(b) Upon compliance with the provisions of G.S. 105-316.1 through 105-316.8, the tax collector shall issue, without charge, a permit authorizing the removal or repossession of the mobile home. ~~He~~ The tax collector shall also maintain a record of all permits issued.

(c) A permit issued under this section is valid for a period of 30 days; however, the 30-day period may not extend beyond December 31 of the calendar year in which the permit is issued."

SECTION 6.4. G.S. 105-316.4 is repealed.

SECTION 6.5. G.S. 105-316.5 reads as rewritten:

"§ 105-316.5. Form of permit.

The permit shall be in substantially the following form:

TAX PERMIT

County of _____ Permit Number _____

State of North Carolina Date of Issuance _____

Permission is hereby granted to: _____

(Name & address of ~~owner~~ owner or
repossessing agent)

(Name & address of carrier if mobile home is to be moved)

to remove and/or repossess the following described mobile home:

(Make, model, size, serial number, etc.)

The mobile home is to be moved as follows:

From: _____

(Address)

To: _____

(Address)

This permit is issued in accordance with the provisions of G.S. 105-316.1 through G.S. 105-316.8 of the General Statutes of North Carolina.

(Signed) _____

Tax Collector
(or Deputy Tax Collector)

County of _____."

SECTION 6.6. Article 18 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-316.5A. Taxes levied on repossessed mobile homes.

Any person holding a lien on a mobile home, who repossesses the mobile home, must pay the property taxes levied on the mobile home before a new title may be issued depicting change of ownership."

1 **SECTION 6.7.** G.S. 105-316.6 reads as rewritten:

2 "**§ 105-316.6. Penalties for violations.**

3 (a) Any person required by G.S. 105-316.1 through 105-316.8 to obtain a tax
4 permit and to pay taxes who fails to do so or who fails to properly display ~~same~~the
5 permit shall be guilty of a Class 3 misdemeanor. This penalty shall be in addition to any
6 penalties imposed for failure to list property for taxation and interest for failure to pay
7 taxes provided by the general laws of this State.

8 (b) Any ~~manufacturer or retailer of mobile homes~~person who aids or abets any
9 ~~owner~~person covered by G.S. 105-316.1 through 105-316.8 to defeat in any manner the
10 purpose of G.S. 105-316.1 through 105-316.8 shall be guilty of a Class 3 misdemeanor.

11 (c) Any person who transports a mobile home from a location in this State for an
12 owner other than a manufacturer or retailer of mobile homes without having properly
13 displayed thereon the tax permit required by G.S. 105-316.1 through 105-316.8 shall be
14 guilty of a Class 3 misdemeanor.

15 (d) Any law-enforcement officer of this State who apprehends any person
16 violating the provisions of G.S. 105-316.1 through 105-316.8 shall detain such person
17 and mobile home until satisfactory arrangements have been made to meet the
18 requirements of G.S. 105-316.1 through 105-316.8."

19 **SECTION 6.8.** G.S. 105-355 reads as rewritten:

20 "**§ 105-355. Creation of tax lien; date as of which lien attaches.**

21 (a) Lien on Real Property. – Regardless of the time at which liability for a tax for
22 a given fiscal year may arise or the exact amount thereof be determined, the lien for
23 taxes levied on a parcel of real property shall attach to the parcel taxed on the date as of
24 which property is to be listed under G.S. 105-285, and the lien for taxes levied on
25 personal property shall attach to all real property of the taxpayer in the taxing unit on
26 the same date. All penalties, interest, and costs allowed by law shall be added to the
27 amount of the lien and shall be regarded as attaching at the same time as the lien for the
28 principal amount of the taxes. For purposes of this subsection (a):

29 (1) Taxes levied on real property listed in the name of a life tenant under
30 G.S. 105-302 (c)(8) shall be a lien on the fee as well as the life estate.

31 (2) Taxes levied on improvements on or separate rights in real property
32 owned by one other than the owner of the land, whether or not listed
33 separately from the land under G.S. 105-302 (c)(11), shall be a lien on
34 both the improvements or rights and on the land.

35 (b) Lien on Mobile Home Listed as Personal Property. – The lien for taxes levied
36 on a mobile home listed as personal property shall attach to the mobile home and to all
37 real property of the taxpayer in the taxing unit on the date as of which property is to be
38 listed under G.S. 105-285.

39 ~~(b)~~(c) Lien on Personal Property. – Taxes levied on real and personal property
40 (including penalties, interest, and costs allowed by law) shall be a lien on personal
41 property from and after levy or attachment and garnishment of the personal property
42 levied upon or attached."

43 **SECTION 6.9.** G.S. 105-366 is amended by adding a new subsection to
44 read:

1 **"§ 105-366. Remedies against personal property.**

2 ...

3 **(e) Remedies Against Repossessing Agents of Mobile Homes. –**

4 **(1) Any person who takes possession of a mobile home whether by**
5 **judicial or nonjudicial authority, as a holder of a lien on the mobile**
6 **home, is liable for the property taxes due on the mobile home and must**
7 **obtain a permit and pay the property taxes as required by**
8 **G.S. 105-316.2. This subsection does not apply to a county or city.**

9 **(2) Any person found in violation of this subsection is subject to the**
10 **penalties set out in G.S. 105-316.6. In addition, a person who fails to**
11 **pay property taxes on the mobile home within 30 days of the date of**
12 **notice of demand for payment from the tax collector shall be subject to**
13 **the enforced collection remedies provided in G.S. 105-367 and**
14 **G.S. 105-368.**

15 **SECTION 6.10.** G.S. 143-143.15 is amended by adding a new subsection to
16 read:

17 **"(c) A licensed dealer or set-up contractor must present a tax permit required**
18 **under G.S. 105-316.1 before a local jurisdiction may issue a permit for the setup or**
19 **installation of a manufactured home. This subsection also applies to a homeowner who**
20 **obtains a permit on behalf of a licensed dealer or set-up contractor. This subsection does**
21 **not apply to the initial sale and setup or installation of a new manufactured home."**

22
23 **PART VII. EFFECTIVE DATES.**

24 **SECTION 7.** Parts I, III, and IV of this act are effective for taxes imposed
25 for taxable years beginning on or after July 1, 2008. Part II of this act is effective when
26 it becomes law and applies to bonds issued on or after that date. Part VI of this act
27 becomes effective December 1, 2007, and applies to offenses occurring on or after that
28 date. Prosecutions for offenses committed before the effective date of part VI of this act
29 are not abated or affected by this act, and the statutes that would be applicable but for
30 part VI of this act remain applicable to those prosecutions. Section 5.2 is effective for
31 taxes imposed for taxable years beginning on or after July 1, 2008. The remainder of
32 this act is effective when it becomes law.