

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1309

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

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

Referred to: Finance.

March 26, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO REFORM THE PROPERTY TAX LAWS OF NORTH CAROLINA.

3 The General Assembly of North Carolina enacts:

4 **PART I. TIMING OF PROPERTY TAX REVALUATIONS.**

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

6 "**§ 105-286. Time for general reappraisal of real property.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 **"§ 105-287. Changing appraised value of real property in years in which general**
37 **reappraisal or horizontal adjustment is not made.**

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

- 44 (1) Correct a clerical or mathematical error.

- 1 (2) Correct an appraisal error resulting from a misapplication of the
2 schedules, standards, and rules used in the county's most recent general
3 ~~reappraisal or horizontal adjustment.~~reappraisal.
- 4 (2a) Recognize an increase or decrease in the value of the property
5 resulting from a conservation or preservation agreement subject to
6 Article 4 of Chapter 121 of the General Statutes, the Conservation and
7 Historic Preservation Agreements Act.
- 8 (2b) Recognize an increase or decrease in the value of the property
9 resulting from a physical change to the land or to the improvements on
10 the land, other than a change listed in subsection (b) of this section.
- 11 (2c) Recognize an increase or decrease in the value of the property
12 resulting from a change in the legally permitted use of the property.
- 13 (3) Recognize an increase or decrease in the value of the property
14 resulting from a factor other than one listed in subsection (b).
- 15 (b) In a year in which a general reappraisal ~~or horizontal adjustment~~ of real
16 property in the county is not made, the assessor may not increase or decrease the
17 appraised value of real property, as determined under G.S. 105-286, to recognize a
18 change in value caused by:
- 19 (1) Normal, physical depreciation of improvements;
- 20 (2) Inflation, deflation, or other economic changes affecting the county in
21 general; or
- 22 (3) Betterments to the property made by:
- 23 a. Repainting buildings or other structures;
- 24 b. Terracing or other methods of soil conservation;
- 25 c. Landscape gardening;
- 26 d. Protecting forests against fire; or
- 27 e. Impounding water on marshland for non-commercial purposes
28 to preserve or enhance the natural habitat of wildlife.
- 29 (c) An increase or decrease in the appraised value of real property authorized by
30 this section shall be made in accordance with the schedules, standards, and rules used in
31 the county's most recent general ~~reappraisal or horizontal adjustment.~~reappraisal. An
32 increase or decrease in appraised value made under this section is effective as of
33 January 1 of the year in which it is made and is not retroactive. This section does not
34 modify or restrict the provisions of G.S. 105-312 concerning the appraisal of discovered
35 property.
- 36 (d) Notwithstanding subsection (a), if a tract of land has been subdivided into lots
37 and more than five acres of the tract remain unsold by the owner of the tract, the
38 assessor may appraise the unsold portion as land acreage rather than as lots. A tract is
39 considered subdivided into lots when the lots are located on streets laid out and open for
40 travel and the lots have been sold or offered for sale as lots since the last appraisal of the
41 property."
- 42

43 **PART II. ELIMINATE PROPERTY TAX EXEMPTIONS BASED ON BOND**
44 **FINANCING.**

1 SECTION 2. G.S. 131A-21 is repealed.

2
3 **PART III. SYSTEM OF APPRAISAL FOR CABLE COMPANIES BY THE**
4 **DEPARTMENT OF REVENUE.**

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

6 "Article 23.

7 "Public Service Companies.

8 **"§ 105-333. Definitions.**

9 The following definitions apply in this Article unless the context requires a different
10 meaning:

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

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

1 passenger service on the lines of any railroad located wholly or partly
2 in this State.

3 (16) Rolling stock. – Motor vehicles, railroad locomotives, and railroad
4 cars that are propelled by mechanical or electrical power and used
5 upon the highways or, in the case of railroad vehicles, upon tracks.

6 (17) System property. – The real property and personal property used by a
7 public service company in its public service activities. The term also
8 includes public service company property under construction on the
9 day as of which property is assessed which when completed will be
10 used by the owner in its public service activities.

11 ~~(18) Telegraph company. – A company engaged in the business of~~
12 ~~transmitting telegraph messages to, from, within, or through the State.~~

13 (19) Telephone company. – A company engaged in the business of
14 transmitting telephone messages and conversations to, from, within, or
15 through this State.

16 (20) Repealed by Session Laws 1973, c. 783, s. 5.

17 (21) True value. – Defined in G.S. 105-283."

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

19 **"§ 105-335. Appraisal of property of public service companies.**

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

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

31 (1) System Property. – Each year, as of January 1, the Department of
32 Revenue shall must appraise at its true value ~~(as defined in~~
33 ~~G.S. 105-283)~~ the system property used by each public service
34 company both inside and outside this State. Property leased by a public
35 service company shall be included in appraising the value of its system
36 property if necessary to ascertain the true value of the company's
37 system property.

38 (2) Nonsystem Personal Property. – Each year as of January 1, the
39 Department shall appraise at its true value ~~(as defined in G.S. 105-283)~~
40 each public service company's nonsystem tangible personal property
41 subject to taxation in this State.

42 (3) Nonsystem Real Property. – In accordance with the county in which
43 the public service company's nonsystem real property is located and
44 the schedules set out in G.S. 105-286 and 105-287, the Department of

1 Revenue shall appraise at its true value (~~as defined in G.S. 105-283~~)
2 each public service company's nonsystem real property subject to
3 taxation in this State.

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

5 (1) Bus Company Rolling Stock. – Each year as of January 1, the
6 Department shall appraise at its true value (~~as defined in G.S. 105-283~~)
7 the rolling stock owned or leased by or operated under the control of
8 each bus line company, which bus line company is domiciled in this
9 State or which is regularly engaged in business in this State.

10 (2) Motor Freight Carrier Company Rolling Stock. – Each year as of
11 January 1, the Department shall appraise at its true value (~~as defined in~~
12 ~~G.S. 105-283~~) the rolling stock owned by a motor freight carrier
13 company or leased by a motor freight carrier company and operated by
14 its employees which motor freight carrier company is domiciled in this
15 State or is regularly engaged in business in this State at a terminal
16 owned or leased by the carrier.

17 (3) Flight Equipment. – Each year, as of January 1, the Department shall
18 appraise at its true value (~~as defined in G.S. 105-283~~) the flight
19 equipment owned or leased by or operated under the control of each
20 airline company that is domiciled in the State or that is regularly
21 engaged in business at some airport in this State."

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

23 **"§ 105-338. Allocation of appraised valuation of system property among local**
24 **taxing units.**

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

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

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

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

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

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

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

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

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

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

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

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

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

38 b. The appraised valuation of the system property of such a
 39 company shall be allocated for taxation to the local taxing units
 40 in which the company operates in the proportion that the
 41 original cost of the taxable system property in the local taxing
 42 unit on January 1 bears to the original cost of all the taxable
 43 system property in this State. If in any local taxing unit the
 44 company owns system property acquired prior to January 1,

1 1972, for which the original cost cannot be definitely
 2 ascertained, a reasonable estimate of the original cost of that
 3 property shall be made by the company, and this estimate shall
 4 be used by the Department of Revenue for allocation purposes
 5 as if it were the actual original cost of the property.

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

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

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

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

38 **PART IV. SPECIAL RESIDENTIAL APPRAISAL CRITERIA.**

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

41 **"§ 105-278.2A. Nonconforming residential property.**

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

1 (b) Application. – An initial application must be filed during the regular listing
2 period of the year for which the benefit of this classification is first claimed, or within
3 30 days of the date shown on a notice of a change in valuation made pursuant to
4 G.S. 105-286 or G.S. 105-287. A new application is not required to be submitted unless
5 the property is transferred. An application required due to transfer of the land may be
6 submitted at any time during the calendar year but must be submitted within 60 days of
7 the date of the property's transfer.

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

- 11 (1) Is used as a permanent residence.
- 12 (2) Is located in a subdivision that is zoned for a use other than single
13 family residential use.
- 14 (3) Is located in a subdivision that has been rezoned more than five years
15 ago from single family residential use to a use other than single family
16 residential use.
- 17 (4) Is located in a subdivision that is predominantly characterized by
18 single family residential use.

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

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

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

- 32 a. Property exempted from taxation under G.S. 105-278.3,
33 105-278.4, 105-278.5, 105-278.6, 105-278.7, or 105-278.8.
- 34 b. Special classes of property excluded from taxation under
35 G.S. 105-275(3), (7), (8), (12), (17), (18), (19), (20), (21), (35),
36 (36), (38), (39), or (41) or under G.S. 131A-21.
- 37 c. Special classes of property classified for taxation at a reduced
38 valuation under G.S. 105-277(h), 105-277.1, 105-277.10,
39 105-277.13, ~~105-278.~~105-278, or 105-278.2A.
- 40 d. Property owned by a nonprofit homeowners' association but
41 where the value of the property is included in the appraisals of
42 property owned by members of the association under
43 G.S. 105-277.8."

PART V. MONTHLY PROPERTY TAX STATEMENTS.

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

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

"§ 105-320. Tax receipts; preparation.

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

...

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

..."

PART VI. PROPERTY TAX COLLECTION ON MOBILE HOMES.

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

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

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

(b) ~~Except as provided in G.S. 105-316.4, manufacturers, retailers and licensed carriers of mobile homes shall not be required to obtain the tax permits required by this section. Persons or firms transporting mobile homes shall, however, be responsible for~~

1 ~~seeing that a proper license tag, and when required under this section, a tax permit, are~~
2 ~~properly displayed thereon at all times during their transportation. This section does not~~
3 ~~apply to a mobile home manufacturer or retailer who moves a mobile home from its~~
4 ~~factory or sales lot to a premises owned or leased by the purchaser of the mobile home."~~

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

6 **"§ 105-316.2. Requirements for obtaining permit.**

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

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

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

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

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

33 **"§ 105-316.3. Issuance of permits.**

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

41 (b) Upon compliance with the provisions of G.S. 105-316.1 through 105-316.8,
42 the tax collector shall issue, without charge, a permit authorizing the removal or
43 repossession of the mobile home. ~~He~~The tax collector shall also maintain a record of all
44 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."

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

"§ 105-316.6. Penalties for violations.

(a) Any person required by G.S. 105-316.1 through 105-316.8 to obtain a tax permit and to pay taxes who fails to do so or who fails to properly display same-the

1 permit shall be guilty of a Class 3 misdemeanor. This penalty shall be in addition to any
2 penalties imposed for failure to list property for taxation and interest for failure to pay
3 taxes provided by the general laws of this State.

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

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

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

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

16 "**§ 105-355. Creation of tax lien; date as of which lien attaches.**

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

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

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

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

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

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

41 "**§ 105-366. Remedies against personal property.**

42 ...

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

- 1 (1) Any person who takes possession of a mobile home whether by
2 judicial or nonjudicial authority, as a holder of a lien on the mobile
3 home, is liable for the property taxes due on the mobile home and must
4 obtain a permit and pay the property taxes as required by
5 G.S. 105-316.2. This subsection does not apply to a county or city.
6 (2) Any person found in violation of this subsection is subject to the
7 penalties set out in G.S. 105-316.6. In addition, a person who fails to
8 pay property taxes on the mobile home within 30 days of the date of
9 notice of demand for payment from the tax collector shall be subject to
10 the enforced collection remedies provided in G.S. 105-367 and
11 G.S. 105-368."

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

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

19
20 **PART VII. EFFECTIVE DATES.**

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