

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2005**

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**HOUSE BILL 1779**

Short Title: Property Tax Paid With Vehicle Registration. (Public)

Sponsors: Representatives Folwell, Insko, Justice, Walker (Primary Sponsors);  
Langdon and Church.

Referred to: Finance.

May 12, 2005

A BILL TO BE ENTITLED

AN ACT TO CREATE A COMBINED MOTOR VEHICLE REGISTRATION  
RENEWAL AND PROPERTY TAX COLLECTION SYSTEM.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-330 is amended by adding a new subdivision to read:

"(4) Collecting agency. A collecting agency shall mean the Division of Motor Vehicles, an agent contracting with the Division of Motor Vehicles, or any county tax collector."

**SECTION 2.** G.S. 105-330.2(b) reads as rewritten:

"(b) Value; Appeal. – A classified motor vehicle shall be appraised by the assessor at its true value in money as prescribed by G.S. 105-283. The Property Tax Division of the Department of Revenue shall annually adopt a schedule of values, standards, and rules to be used in the valuation of motor vehicles to ensure equitable statewide valuations, taking into account local market conditions and allowing adjustments for mileage and the condition of the vehicles. The owner of a classified motor vehicle may appeal the appraised value of the vehicle in the manner provided by G.S. 105-312(d) for appeals in the case of discovered property and may appeal the situs or taxability of the vehicle in the manner provided by G.S. 105-381. The owner of a classified motor vehicle must file an appeal of appraised value with the assessor within 30 days after the date of the tax notice prepared pursuant to G.S. 105-330.5. Notwithstanding G.S. 105-312(d), an owner who appeals the appraised value of a classified motor vehicle shall pay the tax on the vehicle when due, subject to a full or partial refund if the appeal is decided in the owner's favor."

**SECTION 3.** G.S. 105-330.4 reads as rewritten:

"§ 105-330.4. **Due date, interest, and enforcement remedies.**

(a) Taxes on a classified motor vehicle listed pursuant to G.S. 105-330.3(a)(2) shall be due on September 1 following the date by which the vehicle was required to be

1 listed. Taxes on a classified motor vehicle listed pursuant to G.S. 105-330.3(a)(1) shall  
2 be due each year on the following dates:

3 (1) For a vehicle registered under the staggered system, taxes shall be due  
4 on ~~the first day of the fourth month following the date the registration~~  
5 ~~expires or on the first day of the fourth month following the last day of~~  
6 ~~the month in which the new registration is applied for~~ the date the  
7 registration is renewed or a new registration is applied for.

8 (2) For a vehicle newly registered under the annual system, taxes shall be  
9 due on ~~the first day of the fourth month following the date the new~~  
10 ~~registration is applied for.~~ For a vehicle whose registration is renewed  
11 under the annual system, taxes shall be due on May 1 following the  
12 date the registration expired.

13 (b) Subject to the provisions of G.S. 105-395.1, interest on unpaid taxes and  
14 registration fees on classified motor vehicles listed pursuant to G.S. 105-330.3(a)(1)  
15 accrues at the rate of ~~two percent (2%)~~ ten percent (10%) for the first month following  
16 the date the taxes were due and three-fourths percent (3/4 %) for each month thereafter  
17 until the taxes are paid, unless the combined tax and registration notice required by  
18 G.S. 105-330.5 is prepared after the date the taxes are due. In that circumstance, the  
19 interest accrues beginning the second month following the date of the notice until the  
20 taxes are paid. Subject to the provisions of G.S. 105-395.1, interest on delinquent taxes  
21 on classified motor vehicles listed pursuant to G.S. 105-330.3(a)(2) accrues as provided  
22 in G.S. 105-360(a) and discounts shall be allowed as provided in G.S. 105-360(c).

23 (c) Unpaid taxes on classified motor vehicles may be collected by levying on the  
24 motor vehicle taxed or on any other personal property of the taxpayer pursuant to  
25 G.S. 105-366 and G.S. 105-367, or by garnishment of the taxpayer's property pursuant  
26 to G.S. 105-368. Notwithstanding the provisions of G.S. 105-366(b), the enforcement  
27 measures of levy, attachment, and garnishment may be used to collect unpaid taxes on  
28 classified motor vehicles listed pursuant to G.S. 105-330.3(a)(1) at any time after  
29 interest accrues. Notwithstanding the provisions of G.S. 105-355, taxes on classified  
30 motor vehicles listed pursuant to G.S. 105-330.3(a)(1) do not become a lien on real  
31 property owned by the taxpayer."

32 **SECTION 4.** G.S. 105-330.5 reads as rewritten:

33 "**§ 105-330.5. Listing and collecting procedures.**

34 (a) For classified motor vehicles listed pursuant to G.S. 105-330.3(a)(1), upon  
35 receiving the registration lists from the Division of Motor Vehicles each month, the  
36 Property Tax Division shall prepare a combined tax and registration notice for each  
37 vehicle; the combined tax and registration notice shall contain all county, municipal,  
38 ~~and special district taxes~~ taxes, and registration fees due on the motor vehicle. In  
39 computing the taxes, the assessor shall appraise the motor vehicle in accordance with  
40 G.S. 105-330.2 and shall use the tax rates of the various taxing units in effect on the first  
41 day of the month in which the current vehicle registration ~~expired~~ expires or the new  
42 registration ~~was~~ is applied for. This procedure shall constitute the listing and assessment  
43 of each classified motor vehicle for taxation. The combined tax and registration notice  
44 shall contain:

- 1 (1) The date of the combined tax and registration notice.
- 2 (2) The appraised value of the motor vehicle.
- 3 (3) The tax rate of the taxing units.
- 4 (4) A statement that the appraised value of the motor vehicle may be
- 5 appealed to the assessor within 30 days after the date of the notice.
- 6 (5) The registration fee imposed by the Division of Motor Vehicles and
- 7 any other information required by the Division of Motor Vehicles to
- 8 comply with the provisions of Chapter 20 of the General Statutes.

9 (a1) When a new registration is obtained for a vehicle registered under the annual  
10 system in a month other than December, the assessor shall prorate the taxes due for the  
11 remainder of the calendar year. The amount of prorated taxes due is the product of the  
12 proration fraction and the taxes computed according to subsection (a). The numerator of  
13 the proration fraction is the number of full months remaining in the calendar year  
14 following the date the registration is applied for and the denominator of the fraction is  
15 12.

16 (b) When the combined tax and registration notice required by subsection (a) is  
17 prepared, the ~~county tax collector~~ Property Tax Division of the Department of Revenue  
18 shall mail a copy of the notice, with appropriate instructions for payment, to the motor  
19 vehicle owner. The ~~county collecting agency~~ may retain the actual cost of a fee for  
20 collecting municipal and county, municipal, special district taxes, taxes, and registration  
21 fees collected pursuant to this Article and Chapter 20 of the General Statutes, not to  
22 exceed one and one half percent (1 1/2%) of the amount of taxes collected. the fee  
23 established by the Division of Motor Vehicles for transactions conducted by contract  
24 agents. The county finance officer Property Tax Division shall establish procedures to  
25 ensure that tax payments and registration fees received pursuant to this Article and  
26 Chapter 20 of the General Statutes are properly accounted for and taxes and registration  
27 fees due other taxing units and the Division of Motor Vehicles are remitted to the units  
28 to which they are due at least once each month. Each month, a county collecting agency  
29 shall provide reasonable information to the municipalities and special districts located in  
30 it taxing units and Division of Motor Vehicles to enable them to account for validate the  
31 tax payments remitted to received by them.

32 (b1) Repealed by Session Laws 1995, c. 329, s. 2.

33 (c) For classified motor vehicles listed pursuant to G.S. 105-330.3(a)(2), the  
34 assessor shall appraise each vehicle in accordance with G.S. 105-330.2. The assessor  
35 shall prepare a tax notice for each vehicle before September 1 following the January 31  
36 listing date; the tax notice shall include all county and special district taxes due on the  
37 motor vehicle. In computing the taxes, the assessor shall use the tax rates of the taxing  
38 units in effect for the fiscal year that begins on July 1 following the January 31 listing  
39 date. Municipalities shall list, assess, and tax classified motor vehicles listed pursuant to  
40 G.S. 105-330.3(a)(2) as provided in G.S. 105-326, 105-327, and 105-328 and shall send  
41 tax notices as provided in this section.

42 (d) The county shall include taxes on classified motor vehicles listed pursuant to  
43 G.S. 105-330.3(a)(1) in the tax levy for the fiscal year in which the taxes become due  
44 and shall charge the taxes to the tax collector for that year, unless the tax notice required

1 by subsection (a) is prepared after the date the taxes are due. If that occurs, the county  
2 shall include the taxes from that notice in the tax levy for the current fiscal year and  
3 shall charge the taxes to the tax collector for that year."

4 **SECTION 5.** G.S. 105-330.7 reads as rewritten:

5 "**§ 105-330.7. List of delinquents sent to Division of Motor Vehicles.**

6 On the tenth day of each month the county tax collector shall prepare a list with the  
7 name and address of the owner and the vehicle identification number of every classified  
8 motor vehicle listed pursuant to G.S. 105-330.3(a)(1) on which taxes remain unpaid on  
9 that date and on which taxes became ~~due on the first day of the fourth month preceding~~  
10 ~~that date.~~ delinquent. The tax collector shall mail that list to the Division of Motor  
11 Vehicles. The list shall be in the form and contain the information required by the  
12 Division of Motor Vehicles. The Division of Motor Vehicles shall place a block on the  
13 registration and vehicle identification number of any vehicle upon which delinquent  
14 taxes are owed. In no event shall the owner of a vehicle that has had a registration and  
15 vehicle identification number blocked be able to register a vehicle that has been  
16 blocked, transfer a registration plate that has been blocked to another vehicle, or transfer  
17 ownership of a vehicle that has been blocked until all delinquent taxes are paid and the  
18 owner provides a certificate issued by the county tax collector that all taxes due have  
19 been paid."

20 **SECTION 6.** There is appropriated from the General Fund to the  
21 Department of Transportation, Division of Motor Vehicles, the sum of ten million  
22 dollars (\$10,000,000) to develop and implement an integrated computer system that  
23 allows the Division of Motor Vehicles, Property Tax Division, and all county tax  
24 collectors to collect property taxes due on motor vehicles and issue registration plates  
25 for all registered vehicles.

26 **SECTION 7.** This act is effective for taxes imposed for taxable years  
27 beginning on or after July 1, 2007.