

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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SENATE BILL 159
PROPOSED COMMITTEE SUBSTITUTE S159-PCS35160-STx-10

Short Title: Transferred Properties in Corrected Revals.

(Public)

Sponsors:

Referred to:

March 4, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE PAYMENT OF ADDITIONAL TAXES BY THE APPROPRIATE
3 OWNERS OF RECORD FOR CORRECTED REVALUATIONS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Section 3 of S.L. 2013-362 reads as rewritten:

6 "SECTION 3. Interest on taxes paid on parcels with errors that resulted in the parcels
7 having an overstated value shall be calculated at a rate of five percent (5%) per annum.
8 Additional taxes levied on parcels as a result of errors causing the parcels to have an
9 understated value shall be treated as follows:

10 (1) In instances of parcels that have not been transferred in any tax year for
11 which errors requiring reappraisal pursuant to this act resulted in an
12 underpayment of taxes, such underpaid taxes shall be treated as taxes on
13 discovered property pursuant to G.S. 105-312, except that the discovery
14 penalties set forth in subsection (h) of G.S. 105-312 shall not apply.

15 (2) Notwithstanding G.S. 105-365.1(b), in instances of parcels that have been
16 transferred in a tax year for which errors requiring reappraisal pursuant to
17 this act resulted in an underpayment of taxes, the taxes for each tax year
18 prior to and in the fiscal year in which the transfer occurred shall be
19 collected by agreement of a payment plan with the owner of record as of
20 January 1 of each tax year for which unpaid taxes exist, not to exceed
21 payment over a period of 60 months. If such underpaid taxes remain unpaid
22 at the end of 60 months, only the remedies available in G.S. 105-367 and
23 G.S. 105-368 may be used to collect against the owner of record as of
24 January 1 of each tax year for which unpaid taxes exist. Notwithstanding
25 G.S. 105-355(a), there shall be no lien on the real property for underpaid
26 taxes that arose in a year in which the property is owned by a person other
27 than the current owner as of January 1 of that year. The current owner shall
28 not be held personally responsible for such underpaid taxes. If the current
29 owner or a previous owner has paid such underpaid taxes, the current owner
30 may assert a valid defense for a refund pursuant to G.S. 105-381, as a tax
31 imposed through clerical error. Such underpaid taxes shall be treated as taxes
32 on discovered property pursuant to G.S. 105-312, except that discovery
33 penalties shall not apply."

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



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