



SENATE BILL 29: Tax Certification - Alamance County

2011-2012 General Assembly

Committee: House Finance
Introduced by: Sen. Gunn
Analysis of: First Edition

Date: March 30, 2011
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SUMMARY: *Senate Bill 29¹ authorizes Alamance County to require payment of delinquent property taxes prior to recording deeds conveying property.*

CURRENT LAW:

G.S. 161-31(a) permits tax certification by allowing a county board of commissioners, by resolution, to require the register of deeds not to accept any deed transferring real property for registration unless the county tax collector has certified that no delinquent ad valorem county taxes, ad valorem municipal taxes, or other taxes with which the collector is charged are a lien on the property described in the deed. The county commissioners may describe the form the certification must take in its resolution.

G.S. 161-31(a1) provides an exception to the tax certification by requiring the register of deeds to accept, without certification, a deed containing the following statement: "This instrument prepared by: _____, a licensed North Carolina attorney. Delinquent taxes, if any, to be paid by the closing attorney to the county tax collector upon disbursement of closing proceeds."

G.S. 161-31(b) lists the 69 counties to which this provision currently applies.²

The following four counties have a similar requirement but under different authorizing legislation:

Avery County	Chapter 305 of the 1963 Session Laws, as amended by S.L. 1997-410 and S.L. 1998-73 ³
Ashe County	S.L. 1993-657, as amended by S.L. 1997-410 and S.L. 2005-433 ⁴
Alleghany County	S.L. 1997-410
Mitchell County	S.L. 1987-537, as amended by S.L. 1997-410 and S.L. 1999-326 ⁵

These local acts provide that the Register of Deeds shall not record any deed unless it is accompanied by a certification that all delinquent taxes have been paid. These local acts are in contrast to G.S. 161-31, which gives certain counties the discretion to pass a resolution to that effect.

BILL ANALYSIS: Senate Bill 29 would amend G.S. 161-31(b) to add Alamance County to the list of counties in which the board of commissioners is permitted to pass a resolution requiring the register of deeds not to accept any deed transferring real property unless the county tax collector certifies that the taxes listed in the statute are not delinquent and are not a lien on the property. (The taxes listed in G.S. 161-31(a) are ad valorem county taxes, ad valorem municipal taxes, or other taxes with which the collector is charged.)

EFFECTIVE DATE: This bill would become effective when it becomes law.

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¹On March 9, 2011, the House Finance Committee reported favorably on a proposed committee substitute for HB 68 that included authorization for Alamance County to require payment of delinquent taxes prior to recording deeds conveying property. That bill is currently in Senate State and Local Government.

²The Register of Deeds in Duplin County must also receive a certification that no municipal taxes or any other taxes the collector is charged with collecting are a lien on the property before a deed transferring the property may be recorded.

³The Town of Newland was added in 1997; the Town of Banner Elk was added in 1998.

⁴S.L. 2005-433 provides that in addition to receiving a certification from the county tax collector, the Register of Deeds must also receive a certification from any municipal tax collector, where applicable, verifying that all delinquent taxes on the property have been paid.

⁵This local act also provides that if the property is located in the Town of Spruce Pine or the Town of Bakersville, the deed must also be accompanied by a certification from the town tax collector that all municipal taxes have been paid with respect to the property.