

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1991

CHAPTER 961
HOUSE BILL 1350

AN ACT TO MAKE TECHNICAL AND ADMINISTRATIVE CHANGES
RELATING TO PROPERTY TAXES ON MOTOR VEHICLES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-333 reads as rewritten:

"§ 105-333. Definitions.

When used in this Article unless the context requires a different meaning:

- (1) 'Airline company' means a public service company engaged in the business of transporting passengers and property by aircraft for hire within, into, or from this State.
- (2) 'Bus line company' means a public service company engaged in the business of transporting passengers and property by motor vehicle for hire over the public highways of this State (but not including a bus line company operating primarily upon the public streets within a single local taxing unit), whether the transportation be within, into, or from this State.
- (3) 'Distributable system property' means all real property and tangible and intangible personal property owned or used by a railroad company other than nondistributable system property.
- (4) 'Electric membership corporation' means a public service company which is organized, reorganized, or domesticated under the provisions of Chapter 117 of the General Statutes and which is engaged in the business of supplying electricity for light, heat, or power to consumers in this State.
- (5) 'Electric power company' means a public service company engaged in the business of supplying electricity for light, heat, or power to consumers in this State.
- (6) Repealed by Session Laws 1973, c. 783, s. 5, effective January 1, 1974.
- (7) 'Flight equipment' means aircraft fully equipped for flying and used in any operation within this State.
- (8) 'Gas company' means a public service company engaged in the business of supplying artificial or natural gas to, from, within, or through this State through pipe or tubing for light, heat, or power to consumers in this State.

- (9) 'Locally assigned rolling stock' means ~~motor vehicles (other than passenger cars and service vehicles) which are rolling stock that is owned or leased by a motor freight carrier company and company, specifically assigned to a terminal or other premises premises, and is regularly used at the premises to which assigned for the pickup and delivery of local freight. assigned.~~
- (10) 'Motor freight ~~carrier' company~~ carrier company' means a public service company engaged in the business of transporting property by motor vehicle for hire over the public highways of this State as herein provided:
- a. As to interstate carrier companies domiciled in North Carolina, this definition shall include carriers who regularly transport property by tractor trailer to or from one or more terminals owned or leased by the carrier outside this State or two or more terminals inside this State. For purposes of appraisal and allocation only, the definition shall also include a North Carolina interstate carrier which does not have a terminal outside this State but whose operations outside the State are sufficient to require the payment of ad valorem taxes on a portion of the value of the rolling stock of such carrier to taxing units in one or more other states.
 - b. As to interstate carrier companies domiciled outside this State, this definition shall include carriers who regularly transport property by tractor trailer to or from one or more terminals owned or leased by the carrier inside this State.
 - c. As to intrastate carrier companies, this definition shall include only those carriers which are engaged in the transportation of property by tractor trailer to or from two or more terminals owned or leased by the carrier in this State.
- (11) 'Nondistributable system property' means the following properties owned by a railroad company: Land other than right-of-way, depots, machine shops, warehouses, office buildings, other structures, and the contents of the structures listed in this subdivision.
- (12) 'Nonsystem property' means the real and tangible personal property owned by a public service company but not used in its public service activities.
- (13) 'Pipeline company' means a public service company engaged in the business of transporting natural gas, petroleum products, or other products through pipelines to, from, within, or through this State, or having control of pipelines for such a purpose.
- (14) 'Public service company' means railroad company, pipeline company, gas company, electric power company, electric membership corporation, telephone company, telegraph company, bus line company, motor freight carrier company, airline company, and any

other company performing a public service that is regulated by the Interstate Commerce Commission, the Federal Power Commission, the Federal Communications Commission, the Federal Aviation Agency, or the North Carolina Utilities Commission except a water company, a radio common carrier company as defined in G.S. 62-119(3), a cable television company, or a radio or television broadcasting company. (For purposes of appraisal under this Article, this definition shall include a pipeline company whether or not it performs a public service and whether or not it is regulated by one of the agencies named in the preceding sentence.)

- (15) 'Railroad company' means a public service company engaged in the business of operating a railroad to, from, within or through this State on rights-of-way owned or leased by the company. It also means a company operating a passenger service on the lines of any railroad located wholly or partly in this State.
- (16) 'Rolling stock' means ~~buses, trucks, tractor trucks, trailers, semitrailers, combinations thereof, and other motor vehicles (except passenger cars and service vehicles), and railroad locomotives and cars, which motor vehicles, railroad locomotives, and railroad cars that are propelled by mechanical or electrical power and used upon the highways or, in the case of railroads, railroad vehicles, upon tracks.~~
- (17) 'System property' means the real property and tangible and intangible personal property used by a public service company in its public service activities. It also means public service company property under construction on the day as of which property is assessed which when completed will be used by the owner in its public service activities.
- (18) 'Telegraph company' means a public service company engaged in the business of transmitting telegraph messages to, from, within, or through the State.
- (19) 'Telephone company' means a public service company engaged in the business of transmitting telephone messages and conversations to, from, within, or through this State.
- (20) Repealed by Session Laws 1973, c. 783, s. 5, effective January 1, 1974."

Sec. 2. G.S. 105-329 is repealed.

Sec. 3. G.S. 105-330.1 reads as rewritten:

"§ 105-330.1. (Effective January 1, 1993) Classification of motor vehicles.

All motor vehicles, except (i) motor vehicles exempt from registration pursuant to G.S. 20-51, (ii) manufactured homes and (ii) homes, mobile classrooms, and mobile offices, (iii) semitrailers registered on a multiyear basis under G.S. 20-88(c), and (iv) motor vehicles owned or leased by a public service company or leased by a public service company and included in the company's system property under G.S. 105-335(b)(1), and appraised under G.S. 105-335, are hereby designated a special class of property under authority of Article V, Sec. 2(2) of the North Carolina Constitution.

Classified motor vehicles shall be listed and assessed as provided in this Article and taxes on classified motor vehicles shall be collected as provided in this Article."

Sec. 4. G.S. 105-330.2 reads as rewritten:

"§ 105-330.2. (Effective January 1, 1993) Appraisal, ownership, and situs.

(a) The value of a classified motor vehicle listed pursuant to G.S. 105-330.3(a)(1) ~~that is registered~~ shall be determined annually as of January 1 preceding the date a new registration is applied for or the current registration is renewed. If the value of a new motor vehicle cannot be determined as of January 1 preceding the date the new registration is applied for, the value of that vehicle shall be determined for that year as of the date that model vehicle is first offered for sale at retail in this State. The ownership, situs, and taxability of a classified motor vehicle listed pursuant to G.S. 105-330.3(a)(1) shall be determined annually as of the day on which the current vehicle registration is renewed or the day on which a new registration is applied for. ~~first day of the month in which the new registration is applied for.~~

The value of a classified motor vehicle listed pursuant to G.S. 105-330.3(a)(2) ~~that is unregistered~~ shall be determined as of January 1 of the year in which the motor vehicle is required to be listed pursuant to G.S. 105-330.3(a)(2). ~~The ownership, situs, and taxability of a classified motor vehicle listed pursuant to G.S. 105-330.3(a)(1) shall be determined annually as of the day on which the current vehicle registration is renewed or the day on which a new registration is applied for.~~ The ownership, situs, and taxability of a classified motor vehicle listed or discovered pursuant to G.S. 105-330.3(a)(2) shall be determined as of January 1 of the year in which the motor vehicle is required to be listed.

(b) A classified motor vehicle shall be appraised by the assessor at its true value in money as prescribed by G.S. 105-283. The owner of a classified motor vehicle may appeal the ~~appraisal, appraised value, situs, or taxability~~ of the vehicle in the manner provided by G.S. 105-312(d) for appeals in the case of discovered property. The owner of a classified motor vehicle must file an appeal 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 listing, valuation, or assessment 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.

(c) The Department of Revenue, acting through the Property Tax Division, and the Department of Transportation, acting through the Division of Motor Vehicles, shall enter into a memorandum of understanding concerning the vehicle identification information, name and address of the owner, and other information that will be required on the motor vehicle registration forms to implement the tax listing and collection provisions of this Article, ~~and this information shall appear on the forms beginning January 1, 1993.~~ Article."

Sec. 5. G.S. 105-330.4 reads as rewritten:

"§ 105-330.4. (Effective January 1, 1993) Due date, interest, and enforcement remedies.

(a) ~~Taxes on a classified motor vehicle listed pursuant to G.S. 105-330.3(a)(1) shall be due each year on the first day of the fourth month following the date the~~

~~registration expires or on the first day of the fourth month following the last day of the month in which the new registration is applied for.~~ 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 listed. Taxes on a classified motor vehicle listed pursuant to G.S. 105-330.3(a)(1) shall be due each year on the following dates:

- (1) For a vehicle registered under the staggered system, taxes shall be due on the first day of the fourth month following the date the registration expires or on the first day of the fourth month following the last day of the month in which the new registration is applied for.
- (2) For a vehicle registered under the annual system, taxes shall be due on May 1 following the date the registration expired or following the December in which a new registration was obtained.

(b) Subject to the provisions of G.S. 105-395.1, interest on unpaid taxes on classified motor vehicles listed pursuant to G.S. 105-330.3(a)(1) accrues at the rate of three-fourths of one percent (3/4%) per month beginning the first month following the date the taxes were due until the taxes are paid. Subject to the provisions of G.S. 105-395.1, interest on delinquent taxes on classified motor vehicles listed pursuant to G.S. 105-330.3(a)(2) accrues as provided in G.S. 105-360(a) and discounts shall be allowed as provided in G.S. 105-360(c).

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

Sec. 6. G.S. 105-330.5 reads as rewritten:

"§ 105-330.5. (Effective January 1, 1993) Listing and collecting procedures.

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

- (1) The date of the tax notice.
- (2) The appraised value of the motor vehicle.
- (3) The tax rate of the taxing units.

(4) A statement that the appraised value, situs, and taxability of the motor vehicle may be appealed to the assessor within 30 days after the date of the notice.

~~(b) For classified motor vehicles listed pursuant to G.S. 105-330.3(a)(2), the assessor shall appraise each vehicle in accordance with G.S. 105-330.2. The assessor shall prepare a tax notice for each vehicle before September 1 following the January 31 listing date; the tax notice shall include all county, municipal, and special district taxes due on the motor vehicle. In computing the taxes, the assessor shall use the tax rates of the various taxing units in effect for the fiscal year that begins on July 1 following the January 31 listing date. When the tax notice required by subsection (a) is prepared, the county tax collector shall mail a copy of the notice, with appropriate instructions for payment, to the motor vehicle owner. The county may retain the actual cost of collecting municipal and special district taxes collected pursuant to this section, not to exceed one and one-half percent (1 1/2%) of the amount of taxes collected. The county finance officer shall establish procedures to ensure that tax payments received pursuant to this section are properly accounted for and taxes due other taxing units are remitted to the units to which they are due no later than 30 days after the date of collection.~~

~~(c) When the tax notice is prepared, the county tax collector shall mail a copy of the notice, with appropriate instructions for payment, to the motor vehicle owner. The county may retain the actual cost of collecting municipal and special district taxes collected pursuant to this section, not to exceed one and one-half percent (1 1/2%) of the amount of taxes collected. The county finance officer shall establish procedures to ensure that tax payments received pursuant to this section are properly accounted for and taxes due other taxing units are remitted to the units to which they are due no later than 30 days after the date of collection. For classified motor vehicles listed pursuant to G.S. 105-330.3(a)(2), the assessor shall appraise each vehicle in accordance with G.S. 105-330.2. The assessor shall prepare a tax notice for each vehicle before September 1 following the January 31 listing date; the tax notice shall include all county and special district taxes due on the motor vehicle. In computing the taxes, the assessor shall use the tax rates of the taxing units in effect for the fiscal year that begins on July 1 following the January 31 listing date. Municipalities shall list, assess, and tax classified motor vehicles listed pursuant to G.S. 105-330.3(a)(2) as provided in G.S. 105-326, 105-327, and 105-328 and shall send tax notices as provided in this section.~~

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

Sec. 7. G.S. 105-330.6(c) reads as rewritten:

"(c) If the owner of a classified motor vehicle listed pursuant to G.S. 105-330.3(a)(1) transfers the motor vehicle to a new owner and surrenders the registration plates from the listed vehicle to the Division of Motor Vehicles and at the date of surrender one or more full calendar months remains in the listed vehicle's tax year, the owner may apply for a release or refund of taxes on the vehicle for the full calendar months remaining after surrender. To apply for a release or refund, the owner must present to the county tax collector within 60 days after surrendering the plates the

~~certificate receipt~~ received from the Division of Motor Vehicles accepting surrender of the registration plates. The county tax collector shall then multiply the amount of the taxes for the tax year on the vehicle by a fraction, the denominator of which is 12 and the numerator of which is the number of full calendar months remaining in the vehicle's tax year after the date of surrender of the registration plates. The product of the multiplication is the amount of taxes to be released or refunded. If the taxes have not been paid at the date of application, the county tax collector shall make a release of the prorated taxes and credit the owner's tax ~~receipt notice~~ with the amount of the release. If the taxes have been paid at the date of application, the county tax collector shall direct an order for a refund of the prorated taxes to the county finance officer, and the finance officer shall issue a refund to the vehicle owner."

Sec. 8. G.S. 105-330.7 reads as rewritten:

"§ 105-330.7. (Effective January 1, 1993) List of delinquents sent to Division of Motor Vehicles.

On the tenth day of each month the county tax collector shall prepare a list with the name and address of the owner and the vehicle identification number of every classified motor vehicle listed pursuant to G.S. 105-330.3(a)(1) on which taxes remain unpaid on that date and on which taxes became due on the first day of the fourth month preceding that date. The tax collector shall mail that list to the Division of Motor Vehicles. The list shall be in ~~such the~~ form and contain ~~such the~~ information ~~as required by the~~ Division of Motor ~~Vehicles may require.~~ Vehicles."

Sec. 9. Article 21 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-325.1. Special committee for motor vehicle appeals.

The board of county commissioners may appoint a special committee of its members or other persons to hear and decide appeals arising under G.S. 105-330.2(b). The county shall bear the expense of employing the committee."

Sec. 10. G.S. 105-373(h) reads as rewritten:

"(h) **(Effective January 1, 1993) Relief from Collecting Taxes on Classified Motor Vehicles.** The board of county commissioners may, in its discretion, relieve the tax collector of the charge of taxes on classified motor vehicles listed pursuant to G.S. 105-330.3(a)(1) that are one year or more past due when it appears to the board that the taxes are uncollectible. This relief, when granted, shall include municipal and special district taxes charged to the collector."

Sec. 11. G.S. 20-50.3 reads as rewritten:

"§ 20-50.3. (Effective January 1, 1993) Division to furnish county assessors registration lists.

On the tenth day of each month the Division shall send to each county assessor a list of vehicles registered under the staggered system for which registration was renewed or a new registration was obtained in that county during the second month preceding that date, with the name and address of each vehicle owner. On the tenth day of March the Division shall send to each county assessor a list of the following vehicles registered under the annual system with the name and address of each vehicle owner:

- (1) Vehicles for which registration was renewed in that county during the period beginning the preceding December 1.
- (2) Vehicles for which a new registration was obtained in that county during the preceding December."

Sec. 12. Section 10 of Chapter 624 of the 1991 Session Laws reads as rewritten:

"Sec. 10. This act becomes effective January 1, 1993. ~~This act 1993, and~~ shall first apply to the taxation of classified motor vehicles for the fiscal year beginning July 1, 1993, ~~and to that end it shall apply to 1993.~~ For classified motor vehicles registered under the staggered system, this act shall first apply to vehicles newly registered in March 1993, and classified motor vehicles 1993 and vehicles whose registration expires in March 1993. For classified motor vehicles registered under the annual system, this act shall first apply to vehicles newly registered during December 1992 and vehicles whose registration was renewed on or after December 1, 1992. Notwithstanding the provisions of G.S. 105-330.4, for the fiscal year beginning July 1, 1993, taxes on classified motor vehicles registered under the annual system are due July 1, 1993, and interest on these unpaid taxes begins to accrue August 1, 1993."

Sec. 13. This act becomes effective January 1, 1993.

In the General Assembly read three times and ratified this the 15th day of July, 1992.

Henson P. Barnes
President Pro Tempore of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives