

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**HOUSE BILL 1461**

Short Title: Clarify Motor Vehicle Tax Collections. (Public)

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Sponsors: Representative Cole.

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Referred to: Rules, Calendar, and Operations of the House.

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April 16, 2007

A BILL TO BE ENTITLED

1 AN ACT TO EXEMPT MOTOR VEHICLE DEALERS FROM COLLECTING  
2 PROPERTY TAX ON NEW OR USED VEHICLES SOLD BY THE DEALER  
3 AND REQUIRING THE DEPARTMENT OF REVENUE TO ASSESS THE TAX  
4 AND MAKE IT PAYABLE ON THE FIRST DAY OF THE FOURTH MONTH  
5 FOLLOWING THE DATE THE NEW REGISTRATION IS APPLIED FOR.  
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7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 105-330.4, as amended by Section 3 of S.L. 2005-294, is  
9 amended by adding a new subsection to read:

10 "(a1) When a new registration is obtained on a new or used classified motor vehicle  
11 listed pursuant to G.S. 105-330.3(a)(1) and sold by a motor vehicle dealer as defined in  
12 G.S. 20-286(11), taxes on the vehicle are due on the first day of the fourth month  
13 following the date the new registration is applied for."

14 **SECTION 2.** G.S. 105-330.10, as amended by Section 8 of S.L. 2005-294,  
15 reads as rewritten:

16 **"§ 105-330.10. Disposition of interest.**

17 Sixty percent (60%) of the first month's interest collected on unpaid taxes pursuant  
18 to G.S. 105-330.4 shall be transferred on a monthly basis to the Combined Motor  
19 Vehicle and Registration Account created within the Treasurer's Office. The North  
20 Carolina Association of County Commissioners shall direct the Treasurer to distribute  
21 the funds in the Account to the Division of Motor Vehicles for the purpose of  
22 developing and implementing an integrated computer system within the Division of  
23 Motor Vehicles that would allow for the combined assessment, billing, and collection of  
24 property taxes on motor vehicles and the issuance of registration plates. The Treasurer  
25 shall report to the Revenue Laws Study Committee semiannually with the first report  
26 due by April 30, 2006. The report shall contain a detailed description of the amount of  
27 moneys transferred to the Account and distributed from the Account."

28 **SECTION 3.** G.S. 20-50.4, as amended by Section 11 of S.L. 2005-294,  
29 reads as rewritten:

1 "§ 20-50.4. Division to refuse to ~~register~~ renew registrations on vehicles on which  
2 county and municipal taxes and fees are not paid and when there is a  
3 failure to meet court-ordered child support obligations.

4 (a) ~~Property Taxes Paid with Registration.~~ Registration Renewal. – The Division  
5 shall refuse to ~~register~~ renew the registration on a vehicle pursuant to G.S. 20-66 on  
6 which the county and municipal taxes and fees due in a previous tax year are delinquent  
7 or on which the county and municipal taxes and fees due in the current tax year, at the  
8 time of registration renewal, have not been paid.

9 (b) Delinquent Child Support Obligations. – Upon receiving a report from a child  
10 support enforcement agency that sanctions pursuant to G.S. 110-142.2(a)(3) have been  
11 imposed, the Division shall refuse to register a vehicle for the owner named in the report  
12 until the Division receives certification pursuant to G.S. 110-142.2 that the payments  
13 are no longer considered delinquent."

14 **SECTION 4.** This act is effective when it becomes law.