

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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SENATE DRS45068-MCx-25A (01/22)

Short Title: Transferred Properties in Corrected Revals. (Public)

Sponsors: Senators Tarte and Rucho (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REQUIRE PAYMENT OF ADDITIONAL TAXES BY THE APPROPRIATE OWNERS OF RECORD FOR CORRECTED REVALUATIONS.

The General Assembly of North Carolina enacts:

**SECTION 1.** Section 2 of S.L. 2013-362 reads as rewritten:

**"SECTION 2.** If all of the conditions of Section 1 of this act are met, a board of county commissioners shall either (i) conduct a reappraisal, using no less than one person certified by the Department of Revenue for mass valuations per 4,250 parcels, pursuant to G.S. 105-286 within 18 months, applicable to all tax years from and including the tax year when the last general reappraisal was performed pursuant to G.S. 105-286 or (ii) have a qualified appraisal company, which may be the same company that provides the evidence in Section 1 of this act, conduct a review of all the values in the county by neighborhoods and make recommendations as to the true value of the properties as of January 1 of the year of the last general reappraisal performed pursuant to G.S. 105-286. After the reappraisal or after each neighborhood review required by this section is complete, the board of county commissioners shall make any change on the abstracts and tax records to ensure that the assessed values of incorrectly appraised properties in the county reflect the true values of those properties effective for the year of the last general reappraisal performed pursuant to G.S. 105-286 and shall apply the adjusted values for those properties for each tax year until the next general reappraisal for real property is performed by the county pursuant to G.S. 105-286 unless those adjusted values are changed in accordance with G.S. 105-287. In making changes to the abstracts and tax records mandated by this act, the board of county commissioners shall make adjustments for previous errors prioritized as follows:

- (1) Adjustments to parcels with errors that resulted in the parcels having a significantly overstated value.
- (2) Adjustments to parcels with errors that resulted in the parcels having a significantly understated value.
- (3) Adjustments to parcels with errors that resulted in the parcels having an overstated value.
- (4) Adjustments to parcels with errors that resulted in the parcels having an understated value.

In instances of parcels with errors that resulted in an overpayment of taxes, the governing board shall require that notice of refund and the refund amount be sent to the owner of record as of the date the payment was made. The provisions of G.S. 105-380 do not apply to the issuance of any refund under the provisions of this act.



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

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

10 (2) Notwithstanding G.S. 105-365.1(b), in instances of parcels that have been  
11 transferred in a tax year for which errors requiring reappraisal pursuant to  
12 this act resulted in an underpayment of taxes, the taxes for each tax year  
13 prior to and in the fiscal year in which the transfer occurred shall be  
14 collected only using the remedies available in G.S. 105-367 and  
15 G.S. 105-368 against the owner of record as of January 1 of each tax year for  
16 which unpaid taxes exist. Notwithstanding G.S. 105-355(a), there shall be no  
17 lien on the real property for underpaid taxes that arose in a year in which the  
18 property is owned by a person other than the current owner as of January 1  
19 of that year, and the current owner shall not be held personally responsible  
20 for such underpaid taxes. Such underpaid taxes shall be treated as taxes on  
21 undiscovered property pursuant to G.S. 105-312, except that discovery  
22 penalties shall not apply."

23 SECTION 2. This act is effective when it becomes law.