

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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SENATE BILL 159  
State and Local Government Committee Substitute Adopted 3/24/15

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.

