

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 1120

Short Title: Manufactured Home Property Tax.

(Public)

Sponsors: Representatives Shaw, Blue, Cansler, Capps, Church, Neely, G. Robinson, and Shubert.

Referred to: Finance.

May 14, 1996

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE A PROCEDURE FOR LIENHOLDERS ON
2 MANUFACTURED HOMES TO REGISTER FOR NOTIFICATION OF
3 DELINQUENT PROPERTY TAXES ON THE HOMES AND, ONCE
4 REGISTERED, TO BE ABLE TO REPOSSESS A HOME BY PAYING NO MORE
5 THAN TWO YEARS' PROPERTY TAXES.
6

7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 105-316.4 reads as rewritten:

9 "**§ 105-316.4. Issuance of permits under repossession. Special rules for lienholders**
10 **repossessing mobile homes.**

11 (a) Requirements for Obtaining Permit. – A person who intends to take possession
12 of a mobile home as the holder of a lien on the home shall notify the tax collector of the
13 location to which the home is to be taken. The tax collector shall then give the lienholder
14 a statement of taxes due only on the mobile home. If the lienholder has not filed a timely
15 continuing request for notice of delinquent taxes as set out in subsection (b) of this
16 section, the lienholder must pay all unpaid taxes on the mobile home before obtaining a
17 permit and repossessing the home. If the lienholder has filed a timely continuing request
18 for notice of delinquent taxes as set out in subsection (b) of this section, the lienholder
19 may obtain a permit by paying the applicable amount provided in subsection (c) by the

1 deadline provided in subsection (d). The tax collector shall issue a permit to a lienholder
2 who complies with the requirements of this section.

3 (b) Continuing Request for Notice of Delinquent Taxes. – A lienholder may, at
4 any time at least three months before repossessing a mobile home, file with the tax
5 collector a continuing request to be notified of taxes on the mobile home that become
6 delinquent. The request must be in writing and must include all of the following
7 information:

8 (1) The name and mailing address of the lienholder.

9 (2) The name and mailing address of the owner of the mobile home.

10 (3) The address where the mobile home is located.

11 (4) The serial number, year, make, model, and dimensions of the mobile
12 home.

13 After a lienholder has filed a request, the tax collector may notify the lienholder of
14 taxes on the mobile home that are or become delinquent. In addition, when the lienholder
15 requests a permit, the tax collector shall give the lienholder a statement of taxes due on
16 the mobile home as provided in subsection (a).

17 (c) Amount of Taxes Payable by Lienholder. – To obtain a permit, a lienholder
18 who has filed a timely request under subsection (b) of this section must pay the current
19 year's property taxes on the mobile home. In addition, if there were any delinquent taxes
20 on the mobile home at the time the request was filed or if the tax collector has notified the
21 lienholder of any delinquent taxes on the mobile home within six months after they
22 became delinquent, the lienholder must pay the delinquent taxes for the year preceding
23 the current tax year.

24 (d) When Taxes Payable. – A resident lienholder who has filed a timely request
25 under subsection (b) of this section must pay the taxes due under subsection (c) within
26 seven days after the permit is issued. A nonresident lienholder who has filed a timely
27 request under subsection (b) of this section must pay the taxes due under subsection (c)
28 before the permit is issued. A lienholder who has not filed a timely request under
29 subsection (b) of this section must pay all taxes due on the mobile home as provided in
30 subsection (a) before the permit is issued.

31 (e) Effect of Payment of Taxes. – After a lienholder has paid the amount of taxes
32 required by this section, the mobile home is no longer subject to levy or attachment of
33 any lien for any other taxes then owed by the owner of the mobile home, whether or not
34 previously determined.

35 ~~Notwithstanding the provisions of G.S. 105-316.2(a) and 105-316.3(a), above, any person~~
36 ~~who intends to take possession of a mobile home, whether by judicial or nonjudicial~~
37 ~~authority, as a holder of a lien on said mobile home shall apply for, and be issued, the~~
38 ~~permit herein provided without paying all taxes due to be paid by the owner of the mobile~~
39 ~~home being repossessed, upon notifying the tax collector of the location in North~~
40 ~~Carolina to which the mobile home is to be taken. At the time of notification the tax~~
41 ~~collector shall render to the holder of the lien a statement of taxes due against only the~~
42 ~~mobile home. Within seven days of the issuance of the permit the applicant shall pay to~~
43 ~~the tax collector the taxes due as set forth in the statement.~~

1 Notwithstanding the foregoing, any applicant who is a nonresident of North Carolina
2 must pay the taxes due as set forth above at the time of notification to the tax collector
3 and application for the permit.

4 Upon issuance of the permit and the payment of any taxes as prescribed herein, the
5 mobile home shall no longer be subject to levy or attachment of any lien for any other
6 taxes then owed by the owner thereof, whether or not previously determined."

7 Sec. 2. G.S. 105-355 reads as rewritten:

8 **"§ 105-355. Creation of tax lien; date as of which lien attaches.**

9 (a) Lien on Real Property. – Regardless of the time at which liability for a tax for a
10 given fiscal year may arise or the exact amount thereof be determined, the lien for taxes
11 levied on a parcel of real property shall attach to the parcel taxed on the date as of which
12 property is to be listed under G.S. 105-285, and the lien for taxes levied on personal
13 property shall attach to all real property of the taxpayer in the taxing unit on the same
14 date. All penalties, interest, and costs allowed by law shall be added to the amount of the
15 lien and shall be regarded as attaching at the same time as the lien for the principal
16 amount of the taxes. For purposes of this ~~subsection (a)~~ subsection:

17 (1) Taxes levied on real property listed in the name of a life tenant under
18 G.S. 105-302(c)(8) shall be a lien on the fee as well as the life estate.

19 (2) Taxes levied on improvements on or separate rights in real
20 property owned by one other than the owner of the land, whether or
21 not listed separately from the land under G.S. 105-302(c)(11), shall be
22 a lien on both the improvements or rights and on the land.

23 (b) Lien on Personal Property. – Taxes levied on real and personal property
24 (including penalties, interest, and costs allowed by law) shall be a lien on personal
25 property from and after levy or attachment and garnishment of the personal property
26 levied upon or attached.

27 (c) Mobile Homes. – The lien of taxes on a mobile home on which a security
28 interest exists of record shall be enforceable against the holder of the security interest
29 only for taxes that the holder of the security interest would be required to pay in order to
30 repossess the mobile home under G.S. 105-316.4. If the holder of a security interest of
31 record on a mobile home has paid all taxes required under G.S. 105-316.4 in order to
32 repossess the mobile home, the mobile home is no longer subject to levy or attachment of
33 any lien for any other taxes owed at the time of payment by the owner of the mobile
34 home."

35 Sec. 3. G.S. 105-366(b)(6) reads as rewritten:

36 "(6) Personal property of the taxpayer that has been repossessed by one
37 having a security interest therein so long as the property remains in the
38 hands of the person who has repossessed it or the person to whom it has
39 been transferred other than by bona fide sale for value. However, a levy
40 on a mobile home in the hands of a reposessor, or a person to whom
41 the reposessor transferred it other than by bona fide sale for value, may
42 be made only for taxes that the reposessor was required to pay in order
43 to repossess the mobile home under G.S. 105-316.4."

1 Sec. 4. This act becomes effective July 1, 1996.