

ORANGE COUNTY
BOARD OF COMMISSIONERS

ACTION AGENDA ITEM ABSTRACT
Meeting Date: December 15, 2009

Action Agenda
Item No. 4-c

SUBJECT: Motor Vehicle Property Tax Release/Refunds

DEPARTMENT: Revenue/Tax Collector

PUBLIC HEARING: (Y/N)

ATTACHMENT(S):
Resolution
Release/Refund Data Spreadsheet
Reason for Adjustment Summary

INFORMATION CONTACT:
Jo Roberson, Revenue Director,
919-245-2727

PURPOSE: To consider adoption of a refund resolution related to 33 requests for motor vehicle property tax releases or refunds.

BACKGROUND: North Carolina General Statute (NCGS) 105-381(a)(1) allows a taxpayer to assert a valid defense to the enforcement of the collection of a tax assessed upon his/her property under three sets of circumstances:

- (a) "a tax imposed through clerical error", for example when there is an actual error in mathematical calculation;
- (b) "an illegal tax", such as when the vehicle should have been billed in another county, an incorrect name was used, or an incorrect rate code (the wrong combination of applicable county, municipal, fire district, etc. tax rates) was used;
- (c) "a tax levied for an illegal purpose", which would involve charging a tax which was later deemed to be impermissible under state law.

NCGS 105-381(b), "Action of Governing Body" provides that "Upon receiving a taxpayer's written statement of defense and request for release or refund, the governing body of the taxing unit shall within 90 days after receipt of such a request determine whether the taxpayer has a valid defense to the tax imposed or any part thereof and shall either release or refund that portion of the amount that is determined to be in excess of the correct liability or notify the taxpayer in writing that no release or refund will be made".

For classified motor vehicles, NCGS 105-330.2(b) allows for a full or partial refund when a tax has been paid and a pending appeal for valuation reduction due to excessive mileage, vehicle damage, etc. is decided in the owner's favor.

FINANCIAL IMPACT: Approval of these release/refund requests will result in a net reduction of \$4,626.61 to Orange County, the towns, and school and fire districts. Financial impact year to date for FY2009-2010 is \$37,481.34.

RECOMMENDATION(S): The Manager recommends that the Board:

- Accept the report reflecting the 33 motor vehicle property tax release/refunds requested in accordance with the NCGS; and
- Approve of the attached refund resolution.

NORTH CAROLINA

ORANGE COUNTY

REFUND RESOLUTION (Approval)

Whereas, North Carolina General Statutes 105-381 and/or 330.2(B) allows for the refund of taxes when the Board of County Commissioners determines that a taxpayer applying for therefund has a valid defense to the tax imposed; and

Whereas, the properties listed in each of the attached "Request for Property Tax Refunds" has been taxed; and

Whereas, as to each of the properties listed in the Request for Property Tax Refunds, the taxpayer has timely applied in writing for a refund of the tax imposed and has presented a valid defense to the tax imposed as indicated on the Request for Property Tax Refunds.

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ORANGE COUNTY THAT the recommended property tax refund(s) are approved.

Upon motion duly made and seconded, the foregoing resolution was passed by the following votes:

Ayes: Commissioners _____

Noes: _____

I, Donna Baker, Clerk to the Board of Commissioners for the County of Orange, North Carolina, DO HEREBY CERTIFY that the foregoing has been carefully copied from the recorded minutes of the Board of Commissioners for said County at a regular meeting of said Board held on _____, said record having been made in the Minute Book of the minutes of said Board, and is a true copy of so much of said proceedings of said Board as relates in any way to the passage of the resolution described in said proceedings.

WITNESS my hand and the corporate seal of said County, this ____ day of

Clerk to the Board of Commissioners

BOCC REGISTERED MOTOR VEHICLE REPORT
December 15, 2009

Clerical Error 105-381(a)(1)a.(INCORRECT RATE)
 Illegal Tax 105-381(a)(1)b.
 Appraisal Appeal 105-330.2(B)

NAME & BILL NUMBER	BILLING YEAR	RATE CODE	ORIGINAL VALUE	ADJUSTED Levy VALUE	FINANCIAL IMPACT	REASON FOR ADJUSTMENT
Austin, Sally 2009102872	2009	22	20,430	0	-344.70	Illegal Tax - County changed to Durham
Black, Sylvia 200993459	2009	22	8,580	7,550	-15.87	Appraisal Appeal - High Mileage
Buarotti, Paul 200993820	2009	11	10,910	8,946	-21.25	Appraisal Appeal - High Mileage
Cate, Margaret 200994151	2009	22	11,220	10,323	-13.82	Appraisal Appeal - Repair Estimate
Chhay, Tcheu 20099790	2009	22	25,950	0	-529.95	Illegal Tax-County changed to Durham
Cooper, Thomas 2009104683	2009	03	10,470	7,125	-30.26	Appraisal Appeal - High Mileage
Dostert, James 2009105260	2009	22	18,540	0	-315.59	Illegal Tax-County changed to Durham
Evans, Carolyn 2009105529	2009	15	30,570	0	-274.70	Illegal Tax - County changed to Durham
Gates, Warren 2009106027	2009	23	13,420		-86.95	Clerical Error - Incorrect Rate Code
Gwinn, Jeremy 2009106411	2009	21	14,860	0	-273.08	Illegal Tax - Military Exempt Home of Record (WA)
Howerton, Barbara 200996806	2009	03	10,080	8,064	-18.24	Appraisal Appeal - High Mileage
Hynus, William 2009107221	2009	22	18,390		-69.07	Clerical Error - Incorrect Rate Code
Irani, Ferzin 2009107243	2009	22	5,990	4,552	-22.15	Appraisal Appeal - High Mileage
Keshen, Eve 2009107703	2009	22	4,930	2,723	-34.00	Appraisal Appeal - Repair Estimate
Kitner, Bradley 2009107794	2009	17	8,540	7,140	-15.35	Appraisal Appeal - High Mileage
Lee St. Construction, 200887829	2008	22	10,350	0	-217.81	Illegal Tax-County changed to Alamance
Lee, Shooou-Yih Daniel 200997717	2009	21	20,950	18,017	-47.98	Appraisal Appeal - High Mileage
McLaughlin, Stephen 200998397	2009	00	2,669	1,255	-12.89	Appraisal Appeal - Price Paid
Melendez, Lenny 200998465	2009	21	12,830	0	-239.87	Illegal Tax - Military Exempt Home of Record (NY)

Military Leave and Earning Statement: Is a copy of a serviceman's payroll stub covering a particular pay period. This does list his home of record, which is his permanent state of residence where he would pay any state income taxes.

Vehicle Titles

Salvaged and Salvage Rebuilt: Any repairs that exceed 75% of the vehicle's market value using NADA, Kelly Blue Book and various other publications. When the insurance company has totaled the vehicle, and the customer has received the claim check, four things can happen:

- Insurance company can keep the vehicle.
- Customer can keep the vehicle. The customer is instructed to contact the local DMV inspector to have an initial inspection done, for vehicles 2001 to 2006 (these dates change yearly, example in 2007 the models will be 2002-2007).
- Affidavit of Rebuilder- The inspector lists each part that needs to be repaired.
- Final inspection- if all work is cleared and approved by the inspector then the rebuilt status is then removed (salvaged status remains).

Note: Finance companies will not finance a salvaged vehicle.

Total Loss: Repairs were more than the market value of the vehicle and the insurance company is unwilling to pay for the repairs.

Total Loss/Rebuilt: Whatever the repairs were to make the vehicle road worthy after a Total Loss status has been given. Vehicle must be 5 years old or older. Vehicle status then remains as salvaged or rebuilt.

Certificate of Reconstruction: When work has been done on (vehicles 2001-2006 in year 2006) this is issued when the inspector didn't see the original damaged and the vehicle has been repaired.

Certificate of Destruction: NC DMV will not register this type of vehicle. It is not fit for North Carolina roads.

Custom Built: When the customer has built this vehicle himself or herself. Ex. parts taken from various vehicles to build one vehicle. Three titles are required from the DMV in this case. 1) Frame 2) Transmission 3) Engine. Then an indemnity bond must be issued. An indemnity bond must also be issued when the vehicle does not have a title at all.