

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: June 16, 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 30 requests for motor vehicle property tax releases or refunds.

BACKGROUND: GS 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.

GS 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, GS 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 \$2,452.54 to Orange County, the towns, and school and fire districts. Financial impact year to date for FY 2008-2009 is \$47,461.37.

RECOMMENDATION(S): The Manager recommends the Board approve the attached resolution approving 30 motor vehicle property tax release/refunds requested in accordance with North Carolina General Statutes.

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 the refund 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

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

BOCC REGISTERED MOTOR VEHICLE REPORT

June 16, 2009

NAME & BILL NUMBER	BILLING YEAR	RATE CODE	ORIGINAL VALUE	ADJUSTED Levy VALUE	FINANCIAL IMPACT	REASON FOR ADJUSTMENT
Aviles, Baldemar 2008155515	2008	22	4,750	0	-105.94	Illegal Tax - Change County to Chatham
Barkemeyer, John 2008124684	2008	22	14,040	0	-288.58	Illegal Tax - Military Exempt Home of Record (IL)
Bauers, Julie 2008155658	2008	22	15,670	15,270	-7.23	Appraisal Appeal - High Mileage
Bell, Lloyd 2008147917	2008	17	7,660		-16.63	Clerical Error - Incorrect Rate Code
Bunch, William Henry 2008156106	2008	04	7,130	6,274	-11.32	Appraisal Appeal - High Mileage
Chapman, Donna 2008156383	2008	00	7,130	5,989	-12.11	Appraisal Appeal - High Mileage
Craig, Susan 200810235	2008	22	6,930	0	-148.88	Illegal Tax-Change County to Guilford
Daughton, David 2008156806	2008	03	13,490	0	-141.68	Illegal Tax - Change County to Durham
Davis, Robyn 2008156858	2008	23	10,180	8,962	-20.32	Appraisal Appeal - High Mileage and Repair Estimate
Davis, Worthen 2008156866	2008	07	2,480	2,232	-3.21	Appraisal Appeal - High Mileage
Doyle, Brian 2008141507	2008	00	14,080	0	-149.39	Illegal Tax - Military Exempt Home of Record (NY)
Emmerson, Fred 2008149520	2008	22	5,144	3,180	-35.53	Appraisal Appeal - High Mileage and Repair Estimate
Fang, Xifeng 2008157311	2008	22	1,120	560	-10.13	Appraisal Appeal - Holds a Salvaged Title
Felts, Marion 2008149658	2008	00	10,630	9,130	-15.92	Appraisal Appeal - High Mileage
Hagy, Judith 2008157909	2008	22	16,850	14,491	-42.68	Appraisal Appeal - High Mileage
Jalali, Amirkeyvan 2008150867	2008	22	10,950	10,475	-8.59	Appraisal Appeal - High Mileage and Repair Estimate
Lamb, Gwendolyn 2008143621	2008	22	7,420	5,936	-26.84	Appraisal Appeal - High Mileage
Lee, Chung Wvon 2008151508	2008	22	17,840	15,342	-45.19	Appraisal Appeal - High Mileage

BOCC REGISTERED MOTOR VEHICLE REPORT
June 16, 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
Martin, Randall 2008159477	2008	21	12,150	10,692	-27.91	Appraisal Appeal - High Mileage
Prater, Jennifer 2008137756	2008	22	4,600	0	-107.38	Illegal Tax - Change County to Chatham
Price, Stephen 2008153100	2008	21	7,510	4,957	-48.87	Appraisal Appeal - High Mileage
Rathore, Sonali 2008145328	2008	22	14,610	12,857	-31.71	Appraisal Appeal - High Mileage
Russell, Kathryn 2008153521	2008	22	13,770	0	-269.09	Illegal Tax - DMV Error
Seip, Daniel 2008161312	2008	23	4,600	500	-68.39	Appraisal Appeal - Poor Condition
Shannon & Bill Enterprises 2008130804	2008	15	1,206	0	-13.40	Illegal Tax - Change County to Durham
Shotwell, Brandon 2008153788	2008	16	12,320	0	-131.94	Illegal Tax - Change County to Durham
Shundi, Anli 2008161411	2008	22	22,790	19,599	-57.73	Appraisal Appeal - High Mileage
Timmons, Martha 2008154394	2008	22	15,340	0	-297.50	Illegal Tax - Change County to Chatham
West, Phyllis Braxton 2008162465	2008	23	13,910	0	-242.02	Illegal Tax - Change County to Wake
Yeisley, Mark 2008147367	2008	09	12,290	0	-66.43	Illegal Tax-Military Exempt
					-2452.54	

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.

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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.