



# SENATE BILL 740: Scotland Co. Register of Deeds Tax Cert.

2017-2018 General Assembly

|                       |   |                     |                                   |
|-----------------------|---|---------------------|-----------------------------------|
| <b>Committee:</b>     | Senate Rules and Operations of the Senate | <b>Date:</b>        | June 6, 2018                      |
| <b>Introduced by:</b> | Sen. McInnis                              | <b>Prepared by:</b> | Jessica Sammons<br>Staff Attorney |
| <b>Analysis of:</b>   | First Edition                             |                     |                                   |

**OVERVIEW:** *Senate Bill 740 would authorize Scotland County to require payment of delinquent property taxes prior to recording deeds conveying property.*

**CURRENT LAW:** G.S. 161-31(a) allows a county board of commissioners, by resolution, to require the register of deeds not to accept any deed transferring real property for registration unless the county tax collector has certified that no delinquent ad valorem county taxes, ad valorem municipal taxes, or other taxes with which the collector is charged are a lien on the property described in the deed. The county commissioners may describe the form the certification must take in its resolution.

G.S. 161-31(a1) provides an exception. It requires the register of deeds to accept, without certification, a deed containing the following statement: "This instrument prepared by: \_\_\_\_\_, a licensed North Carolina attorney. Delinquent taxes, if any, to be paid by the closing attorney to the county tax collector upon disbursement of closing proceeds."

G.S. 161-31(b) lists the 80 counties to which this provision current applies.<sup>1</sup>

**BILL ANALYSIS:** Senate Bill 740 would amend G.S. 161-31(b) to add Scotland County to the list of counties in which the board of commissioners is permitted to pass a resolution requiring the register of deeds not to accept any deed transferring real property unless the county tax collector certifies that ad valorem county taxes, ad valorem municipal taxes, or other taxes with which the collector is charged are not delinquent and are not a lien on the property.

**EFFECTIVE DATE:** Effective when it becomes law.

**BACKGROUND:** The following 4 counties have a similar requirement but under different authorizing legislation:

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| Avery County     | Chapter 305 of the 1963 Session Laws, as amended by S.L. 1997-410 and S.L. 1998-73 |
| Ashe County      | S.L. 1993-657, as amended by S.L. 1997-410 and S.L. 2005-433                       |
| Alleghany County | S.L. 1997-410  |
| Mitchell County  | S.L. 1987-537, as amended by S.L. 1997-410 and S.L. 1999-326                       |

These local acts provide that the Register of Deeds shall not record any deed unless it is accompanied by a certification that all delinquent taxes have been paid. These local acts are in contrast to G.S. 161-31, which gives certain counties the discretion to pass a resolution to that effect.

<sup>1</sup> The Register of Deeds in Duplin County must also receive a certification that no municipal taxes or any other taxes the collector is charged with collecting are a lien on the property before a deed transferring the property may be recorded.

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