

**§ 105-373. Settlements.**

(a) Annual Settlement of Tax Collector. –

- (1) Preliminary Report. – After July 1 and before a tax collector is charged with taxes for the current fiscal year, the tax collector shall make a sworn report to the governing body of the taxing unit showing all of the following:
  - a. A list of the persons owning real property whose taxes for the preceding fiscal year remain unpaid and the principal amount owed by each person.
  - b. A list of the persons not owning real property whose personal property taxes for the preceding fiscal year remain unpaid and the principal amount owed by each person. To this list the tax collector shall append a statement under oath that the tax collector has made diligent efforts to collect the taxes due from the persons listed out of their personal property and by other means available for collection, and the tax collector shall report any other information concerning these taxpayers that may be of interest to or required by the governing body, including a report of the tax collector's efforts to make collection outside the taxing unit under G.S. 105-364. The governing body of the taxing unit may publish this list in any newspaper in the taxing unit. The cost of publishing this list shall be paid by the taxing unit.
- (2) Insolvents. – Upon receiving the report required by subdivision (a)(1) of this section, the governing body of the taxing unit shall enter upon its minutes the names of persons owing taxes, but that listed no real property, that it finds to be insolvent, and it shall by resolution designate the list entered in its minutes as the insolvent list to be credited to the tax collector in the tax collector's settlement.
- (3) Settlement for Current Taxes. – After July 1 and before a tax collector is charged with taxes for the current fiscal year, the tax collector shall make full settlement with the governing body of the taxing unit for all taxes in the tax collector's hands for collection for the preceding fiscal year. The following charges and credits apply:
  - a. In the settlement the tax collector shall be charged with all of the following:
    1. The total amount of all taxes in the tax collector's hands for collection for the year, including amounts originally charged to the tax collector and all amounts subsequently charged on account of discoveries.
    2. All penalties, interest, and costs collected by the tax collector in connection with taxes for the current year.
    3. All other sums collected by the tax collector.
  - b. The tax collector shall be credited with all of the following:
    1. All sums representing taxes for the year deposited by the tax collector to the credit of the taxing unit or received for by a proper official of the unit.
    2. Releases duly allowed by the governing body.
    3. The principal amount of taxes constituting liens on real property.
    4. The principal amount of taxes included in the insolvent list determined in accordance with subdivision (a)(2) of this section.

5. Discounts allowed by law.
6. Commissions, if any, lawfully payable to the tax collector as compensation.
7. The principal amount of taxes for any assessment appealed to the Property Tax Commission when the appeal has not been finally adjudicated.

The tax collector shall be liable on the tax collector's bond for both honesty and faithful performance of duty; for any deficiencies; and, in addition, for all criminal penalties provided by law.

The settlement, together with the action of the governing body with respect to it, shall be entered in full upon the minutes of the governing body.

- (4) Disposition of Tax Receipts after Settlement. – Uncollected taxes allowed as credits in the settlement prescribed in subdivision (a)(3) of this section, whether represented by tax liens held by the taxing unit or included in the list of insolvents, shall, for purposes of collection, be recharged to the tax collector or charged to some other person designated by the governing body of the taxing unit under statutory authority. The person charged with uncollected taxes shall take the following actions:

- a. Give bond satisfactory to the governing body.
- b. Receive the tax receipts and tax records representing the uncollected taxes.
- c. Have and exercise all powers and duties conferred or imposed by law upon tax collectors.
- d. Receive compensation as determined by the governing body.

(b) Settlements for Delinquent Taxes. – Annually, at the time prescribed for the settlement provided in subdivision (a)(3) of this section, all persons having in their hands for collection any taxes for years prior to the year involved in the settlement shall settle with the governing body of the taxing unit for collections made on each prior year's taxes. The settlement for the taxes for prior years shall be made in whatever form is satisfactory to the chief accounting officer and the governing body of the taxing unit, and it shall be entered in full upon the minutes of the governing body.

(c) Settlement at End of Term. – At the end of a tax collector's last term of office, the tax collector shall, on the last business day of the term, make full and complete settlement for all taxes, current or delinquent, in the tax collector's hands and deliver the tax records, tax receipts, and accounts to the successor in office. The settlement shall be made in whatever form is satisfactory to the chief accounting officer and the governing body of the taxing unit, and it shall be entered in full upon the minutes of the governing body.

(d) Settlement upon Vacancy during Term. – When a tax collector voluntarily resigns, the tax collector shall, upon the last day in office, make full settlement in the manner provided in subsection (c) of this section for all taxes in the tax collector's hands for collection. In default of a settlement, or in case of a vacancy occurring during a term for any reason, it shall be the duty of the chief accounting officer or, in the discretion of the governing body, of some other qualified person appointed by it immediately to prepare and submit to the governing body a report in the nature of a settlement made on behalf of the former tax collector. The report, together with the governing body's action with respect to it, shall be entered in full upon the minutes of the governing body. Whenever a settlement is made on behalf of a former tax collector, the governing body may deliver the tax receipts and tax records to a successor collector immediately upon the occurrence of the vacancy, or it may make whatever temporary arrangements for the collection of

taxes as may be expedient, but in no event shall any person be permitted to collect taxes until the person has given bond satisfactory to the governing body.

(e) Effect of Approval of Settlement. – Approval of any settlement by the governing body does not relieve the tax collector or the tax collector's bondsmen of liability for any shortage actually existing at the time of the settlement and thereafter discovered; nor does it relieve the collector of any criminal liability.

(f) Penalties. – In addition to any other civil or criminal penalties provided by law, any member of a governing body of a taxing unit, tax collector, or chief accounting officer who fails to perform any duty imposed by this section is guilty of a Class 1 misdemeanor.

(g) Relief from Collecting Insolvents. – The governing body of any taxing unit may, in its discretion, relieve the tax collector of the charge of taxes owed by persons on the insolvent list that are five or more years past due when it appears to the governing body that the taxes are uncollectible.

(h) Relief from Collecting Taxes on Classified Motor Vehicles. – The board of county commissioners may, in its discretion, relieve the tax collector of the charge of taxes on classified motor vehicles listed pursuant to G.S. 105-330.3(a) that are one year or more past due when it appears to the board that the taxes are uncollectible. This relief, when granted, shall include municipal and special district taxes charged to the collector. (1939, c. 310, s. 1719; 1945, c. 635; 1947, c. 484, ss. 3, 4; 1951, c. 300, s. 1; c. 1036, s. 1; 1953, c. 176, s. 2; 1955, c. 908; 1967, c. 705, s. 1; 1971, c. 806, s. 1; 1983, c. 670, s. 22; c. 808, ss. 5-7; 1987, c. 16; 1991, c. 624, s. 3; 1991 (Reg. Sess., 1992), c. 961, s. 10; 1993, c. 539, s. 726; 1994, Ex. Sess., c. 24, s. 14(c); 1997-456, s. 27; 2006-30, s. 7; 2021-91, s. 3(c).)