

Listing and Collection Problems with Manufactured Homes

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Real or Personal Property?

- 1. MH owned by Jessie Jones, hitch, wheels, and axels removed, on permanent foundation, on land owned by Jones, used by Jones as spare bedroom for occasional family guests and as an office for his landscaping company.**
- 2. MH owned by Susie Smith, hitch, wheels, and axels removed, on permanent foundation, on land owned by Susie and her husband, John Smith. John and Susie reside in the MH.**
- 3. MH owned by ABC Corp., on land owned by ABC Corp., hitch, wheels, and axels removed, on permanent foundation, rented by ABC Corp. to a family on a monthly basis.**
- 4. MH owned by Barbara Brown, on land owned by Barbara Brown Irrevocable Trust, used by Barbara's son, Bobby, as his residence, hitch, wheels, and axels removed, on permanent foundation.**
- 5. MH owned by Danny Dunn, on land owned by Dunn, Dunn & Dunner, a partnership, with hitch, wheels, and axels removed, on permanent foundation. MH used by Danny as his residence.**

Discussion Question 1

Robert Brown purchases Parcel A, which includes both land and a manufactured home, from Dan and Cindy Green in 2000. Brown gives the Greens a deed of trust on Parcel A to secure financing for the purchase.

The manufactured home Brown and his wife, Barbara, reside in the manufactured home, which has its hitch, wheels and axels removed and sits on a permanent foundation.

In March 2009, the county tax collector sends notice to Brown, the owner, and to the Greens, as lienholders, informing them that the county intends to begin foreclosure procedures on Parcel A due to the failure to pay property taxes for the years 2006 through 2009. The Greens inform the tax collector that they intend to foreclose on the property themselves through the deed of trust for Brown's failure to keep current on his mortgage.

In April 2009, the Greens appear at the county tax office and ask for a break out of the taxes owed on Parcel A as between the land and the manufactured home. The Greens pay all outstanding taxes owed on the land, but do not pay the taxes relating to the manufactured home.

In May 2010, the Greens accept a deed to Parcel A from Brown in lieu of foreclosure and immediately record the deed. The deed states, "the property is free and clear of all encumbrances and liens whatsoever."

In June 2010, the tax collector begins foreclosure proceedings against Parcel A, now owned by the Greens, for the unpaid taxes on the manufactured home.

The Greens immediately object, informing the tax collector that they are not responsible for the taxes on the mobile home. The Greens claim that the manufactured home was owned by Barbara Brown, not Robert Brown, and that Greentree Financial repossessed and moved the home off of Parcel A in February 2009.

Greentree did not obtain a moving permit before it repossessed and moved the manufactured home and will not disclose the name of the home's current owner.

How should the manufactured home have been listed since 2000?

Can the tax collector foreclose on Parcel A for the unpaid taxes on the manufactured home?

What options, if any, does the tax collector have concerning Greentree Financial?

Question 2

Tommy Tar Heel obtains a building permit for a manufactured home foundation in June 2003. The county assessor visits the property, measures the foundation, and creates a personal property record card for a 1996 27x44 manufactured home in Tommy's name. The county sends a listing abstract to Tommy in 2004 and each year thereafter.

In February 2007, Tommy visits the assessor and claims that the manufactured home has always been owned by his daughters, Teri and Theresa Tar Heel. He also claims that the manufactured home is 24 feet wide, not 27 feet wide as listed on the property record card. At this point, no property taxes for any year have been paid on the manufactured home.

The assessor corrects the size of the home on the listing record, releases taxes in Tommy's name and issues a discovery for the home for 2004-2007 in the names of Teri and Theresa. The discovery notice is sent to the address of the manufactured home, where Tommy lives. The county does not have mailing addresses for the daughters. The discovery bill and the 2008 taxes remain unpaid.

In June 2009, Teri and Theresa visit the assessor's office and claim that they never received notice of the taxes owed and that the value of the home is too high. They also claim that their sister, Debbie Duke (married name), is the actual owner of the home.

A search of DMV records reveals that title to the manufactured home has been in Debbie Duke's name since 2003. An inspection of the home reveals that it is actually 27 feet wide, as indicated on the original property card, and that the property record card should not have been changed in 2007.

In August 2009, Debbie sells the manufactured home to Warren Wolfpack.

How should the manufactured home be listed for 2003-2009?

Should the value of the home be corrected for the years in which the listing indicated it was 24 feet wide instead of 27 feet wide?

Can Debbie or anyone else appeal the value of the home? If so, for what years?

Who is responsible for the outstanding taxes on the home?

Mobile Home Moving Permits

§ 105-316.2. Requirements for obtaining permit.

(a) In order to obtain the permits herein provided, persons other than manufacturers and retailers of mobile homes shall be required to (i) pay all taxes due to be paid by the owner to the county or to any other taxing unit therein; or (ii) show proof to the tax collector that no taxes are due to be paid; or (iii) demonstrate to the tax collector that the removal of the mobile home will not jeopardize the collection of any taxes due or to become due to the county or to any taxing unit therein.

(b) In addition to complying with the provisions of subsection (a) above, owners of mobile homes required to obtain the permits herein provided shall also furnish the following information to the tax collector:

- (1) The name and address of the owner,
- (2) The address or location of the premises from which the mobile home is to be moved,
- (3) The address or location of the place to which the mobile home is to be moved, and
- (4) The name and address of the carrier who is to transport the mobile home.

§ 105-316.4. Issuance of permits under repossession.

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

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

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