



North Carolina Department of Revenue

Beverly Eaves Perdue
Governor

David W. Hoyle
Secretary

July 26, 2011

Memorandum

To: County Assessors

From: Lee Harris, AAS
Personal Property Valuation Specialist II
Local Government Division

Re: Secrecy Policy for Confidential Information Provided to Local Tax Officials by NCDOR

G.S. 105-289(e) allows the North Carolina Department of Revenue (Department) to furnish certain information to local tax officials.

G.S. 105-273(10a) defines a local tax official as “[a] county assessor, an assistant county assessor, a member of a county board of commissioners, a member of a county board of equalization and review, a county tax collector, or the municipal equivalent of one of these officials.”

The Department can provide:

- (1) Information contained in a report to the Department or to any other State department; and
- (2) Information the Department has in its possession that may assist a local tax official in securing complete tax listings, appraising or assessing taxable property, collecting taxes, or presenting information in administrative or judicial proceedings involving the listing, appraisal, or assessment of property.

A local tax official may use the information obtained from the Department only for the purposes stated in (2) above. The position of the Department is that (2) above pertains only to property taxes and the information may only be used in the administration of the property tax. It is also the position of the Department that the information should only be used for the administration of the property taxes under the administration of the local tax official to whom the information was provided.

A local tax official may not divulge or make public this information except as required in administrative or judicial proceedings under the provisions of Subchapter II of Chapter 105 of the General Statutes. A local tax official who makes improper use of or discloses information obtained from the Department under this subsection is punishable as provided in G.S. 153A-148.1 or G.S. 160A-208.1, as appropriate.

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The importance of strict compliance with the secrecy provisions of G.S. 153A-148.1 and G.S. 160A-208.1 cannot be overemphasized. Any person violating these sections is guilty of a Class 1 misdemeanor. If the person committing the violation is an officer or employee, that person shall be dismissed from public office or public employment and may not hold any public office or public employment in this State for five years after the violation.

The Department may not furnish the information to a local tax official unless it has obtained a written certification from the official stating that the official is familiar with the provisions of G.S. 105-289(e) and G.S. 153A-148.1 or G.S. 160A-208.1, as appropriate, and that the information obtained from the Department will be used only for the purposes stated in (2) above.

G.S. 105-289(e) only allows the Department to disclose the information to a local tax official. The Department will provide the information to a local tax official who has a proper certification on file with the Department. The position of the Department is that it will also provide the information to an employee of the local tax official, when the local tax official and the employee have a joint certification on file wherein the local tax official grants authorization to the employee. The local tax official must first have a certification on file before the local tax official can participate in the joint certification authorizing access by the employee.

G.S. 105-299 states in part: “The board of county commissioners may employ appraisal firms, mapping firms or other persons or firms having expertise in one or more of the duties of the assessor to assist the assessor in the performance of these duties...The county may make available to these persons any information it has that will facilitate the performance of a contract entered into pursuant to this section. Persons receiving this information are subject to the provisions of G.S. 105-289(e) and G.S. 105-259 regarding the use and disclosure of information provided to them by the county.” [Emphasis added.]

Given that the Department may only furnish the information to a local tax official and that the county may make available to its contractors information that the county already has, the position of the Department is that it will not provide the information to contractors. The local tax official or the employee of the local tax official may request the information from the Department, and the county may provide the information to the contractor if it wishes.

The contractor is not required to have a secrecy certification on file with the Department. However, before the county provides the confidential information to the contractor, the county may wish to obtain a written certification from the contractor stating that the contractor understands that it is subject to and is familiar with the provisions of G.S. 105-289(e) and G.S. 105-259, and that the information obtained from the county will be used only for the purposes stated in (2) above. The county may wish to seek the advice of their legal counsel on this issue.

It is the opinion of the Department that the contractor may only use the information obtained under these provisions for the performance of the contract with the local tax official that provided the information.

If any existing certifications on file do not meet the standards set out in this memorandum, the Department will require a new certification at the time of the request for information.

If you have any questions, please do not hesitate to contact our office at 919-733-7711.