

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 286  
Finance Committee Substitute Adopted 4/7/99

Short Title: Local Option Homestead Relief.

(Public)

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Sponsors:

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Referred to:

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March 8, 1999

A BILL TO BE ENTITLED

1 AN ACT TO AMEND THE CONSTITUTION OF NORTH CAROLINA, IF  
2 APPROVED BY THE VOTERS IN THE 2000 GENERAL ELECTION, TO  
3 AUTHORIZE THE GENERAL ASSEMBLY TO ENACT LEGISLATION  
4 ALLOWING EACH COUNTY TO (I) INCREASE THE AMOUNT OF THE  
5 PROPERTY TAX HOMESTEAD EXEMPTION FOR LOW-INCOME ELDERLY  
6 AND DISABLED INDIVIDUALS IN THAT COUNTY AND (II) RAISE THE  
7 DEFINITION OF "LOW-INCOME" SO THAT MORE ELDERLY AND DISABLED  
8 INDIVIDUALS CAN QUALIFY FOR THE EXEMPTION.  
9

10 The General Assembly of North Carolina enacts:

11 Section 1. Section 2 of Article V of the North Carolina Constitution is  
12 amended by adding a new subsection to read:

13 "(8) Property tax homestead exclusion. If the General Assembly enacts legislation  
14 classifying and excluding from ad valorem taxation part of the value of the residence of  
15 each elderly or disabled individual whose income is below a maximum amount and who  
16 satisfies other conditions, the General Assembly may, notwithstanding subsection (2) of  
17 this section, enact a general law uniformly applicable throughout the State authorizing  
18 each county to increase the portion of a classified residence's value that is excluded in

1 that county and to increase the maximum income threshold to qualify for the exclusion in  
2 that county."

3 Section 2. G.S. 105-277.1 is amended by adding a new subsection to read:

4 "(a1) Local Option Increase. – The board of commissioners of a county may, by  
5 resolution, increase the amount of the exclusion provided in subsection (a) of this section,  
6 increase the maximum income threshold provided in subdivision (a)(2) of this section, or  
7 both. An increase adopted under this subsection shall apply uniformly within the county.  
8 The board of commissioners of a county may, by resolution, repeal or reduce an increase  
9 adopted under this subsection, but may not reduce the exclusion or the income threshold  
10 provided in subsection (a) of this section. A resolution changing the exclusion amount or  
11 the income threshold within a county pursuant to this subsection shall become effective  
12 no earlier than for the taxable year beginning July 1 following adoption of the  
13 resolution."

14 Section 3. G.S. 105-309(f) reads as rewritten:

15 "(f) The following information shall appear on each abstract or on an information  
16 sheet distributed with the abstract. If the county has increased the exclusion amount or  
17 the income threshold pursuant to G.S. 105-277.1(a1), the assessor shall substitute the  
18 applicable dollar amounts. The abstract or sheet must include the address and telephone  
19 number of the assessor below the notice required by this subsection. The notice shall read  
20 as follows:

21  
22 **'PROPERTY TAX RELIEF FOR ELDERLY AND**  
23 **PERMANENTLY DISABLED PERSONS.**  
24

25 North Carolina excludes from property taxes the first twenty thousand dollars  
26 (\$20,000) in appraised value of a permanent residence owned and occupied by North  
27 Carolina residents aged 65 or older or totally and permanently disabled whose income  
28 does not exceed fifteen thousand dollars (\$15,000). Income means the owner's adjusted  
29 gross income as determined for federal income tax purposes, plus all moneys received  
30 other than gifts or inheritances received from a spouse, lineal ancestor or lineal  
31 descendant.

32 If you received this exclusion in (assessor insert previous year), you do not need to  
33 apply again unless you have changed your permanent residence. If you received the  
34 exclusion in (assessor insert previous year) and your income in (assessor insert previous  
35 year) was above fifteen thousand dollars (\$15,000), you must notify the assessor. If you  
36 received the exclusion in (assessor insert previous year) because you were totally and  
37 permanently disabled and you are no longer totally and permanently disabled, you must  
38 notify the assessor. If the person receiving the exclusion in (assessor insert previous year)  
39 has died, the person required by law to list the property must notify the assessor. Failure  
40 to make any of the notices required by this paragraph before April 15 will result in  
41 penalties and interest.

1 If you did not receive the exclusion in (assessor insert previous year) but are now  
2 eligible, you may obtain a copy of an application from the assessor. It must be filed by  
3 April 15."

4 Section 4. G.S. 105-328 reads as rewritten:

5 **"§ 105-328. Listing, appraisal, and assessment of property subject to taxation by**  
6 **cities and towns situated in more than one county.**

7 (a) ~~For~~ Except as provided in subsection (a1) of this section, for purposes of  
8 municipal taxation, all property subject to taxation by a city or town situated in two or  
9 more counties may, by resolution of the governing body of the municipality, be listed,  
10 appraised, and assessed as provided in G.S. 105-326 and 105-327 if, in such a case, in the  
11 opinion of the governing body, the same appraisal and assessment standards will thereby  
12 apply uniformly throughout the municipality. However, if, in such a case, the governing  
13 body ~~shall determine~~ determines that adoption of the appraisals and assessments fixed by  
14 the counties will not result in uniform appraisals and assessments throughout the  
15 municipality, the governing body may, by horizontal adjustments, equalize the appraisal  
16 and assessment values fixed by the counties in order to obtain the required uniformity.  
17 Taxes levied by the city or town shall be levied uniformly on the assessments so  
18 determined.

19 (a1) This section does not apply to assessments of property that differ in any of the  
20 counties in which the city or town is located because of a local option adjustment in the  
21 homestead exclusion under G.S. 105-277.1(a1).

22 (b) Should the governing body of a city or town situated in two or more counties  
23 not adopt the procedure provided in subsection ~~(a), above, (a)~~ of this section, all property  
24 subject to taxation by the municipality shall be listed, appraised, and assessed as provided  
25 in subdivisions (b)(1) through (b)(6), below.

26 (1) The governing body of the city or town shall appoint a municipal  
27 assessor on or before the first Monday in July in each odd-numbered  
28 year. The governing body may remove the municipal assessor from  
29 office during his term for good cause after giving him notice in writing  
30 and an opportunity to appear and be heard at a public session of the  
31 appointing body. Whenever a vacancy occurs in the office, the  
32 governing body shall appoint a qualified person to serve as municipal  
33 assessor for the period of the unexpired term. Persons holding the  
34 position of municipal assessor on July 1, 1971, shall be deemed  
35 qualified to fill the position. A person appointed as a municipal assessor  
36 shall meet the qualifications and requirements set for a county assessor  
37 under G.S. 105-294.

38 (2) With the approval of the governing body, a municipal assessor may  
39 employ testers, appraisers, and clerical assistants necessary to carry out  
40 the listing, appraisal, assessing, and billing functions required by law.

41 (3) A municipal assessor and the persons employed by him have the same  
42 powers and duties as their county equivalents with respect to property  
43 subject to taxation by a city or town.

- 1 (4) The governing body shall, with respect to property subject to city or  
2 town taxation, be vested with the powers and duties vested by this  
3 Subchapter in boards of county commissioners and boards of  
4 equalization and review. Appeals may be taken from the municipal  
5 board of equalization and review or governing body to the Property Tax  
6 Commission in the manner provided in this Subchapter for appeals from  
7 county boards of equalization and review and boards of county  
8 commissioners.
- 9 (5) All expenses incident to the listing, appraisal, and assessment of  
10 property for the purpose of city or town taxation shall be borne by the  
11 municipality for whose benefit the work is undertaken.
- 12 (6) The intent of this subsection (b) is to provide cities and towns that are  
13 situated in two or more counties with machinery for listing, appraising,  
14 and assessing property for municipal taxation equivalent to that  
15 established by this Subchapter for counties. The powers to be exercised  
16 by, the duties imposed on, and the possible penalties against municipal  
17 governing bodies, boards of equalization and review, assessors, and  
18 persons employed by an assessor shall be the same as those provided in  
19 this Subchapter by, on, or against county boards of commissioners,  
20 boards of equalization and review, assessors, and persons employed by  
21 an assessor."

22 Section 5. The catch line of G.S. 105-277.1 reads as rewritten:

23 "**§ 105-277.1. Property ~~classified for taxation at reduced valuation.~~ tax homestead**  
24 **exclusion.**"

25 Section 6. The amendment set out in Section 1 of this act shall be submitted to  
26 the qualified voters of the State at the statewide general election to be held in 2000. The  
27 election shall be conducted under the laws then governing elections in the State. Ballots,  
28 voting systems, or both may be used in accordance with Chapter 163 of the General  
29 Statutes. The question to be used in the voting systems and ballots shall be:

30 "[ ] FOR [ ] AGAINST

31 Constitutional amendment authorizing the General Assembly to allow counties  
32 to (1) increase the property tax exemption for a residence owned by a low-income elderly  
33 or disabled person and (2) raise the definition of 'low-income' so more elderly and  
34 disabled persons can qualify for the exemption."

35 Section 7. If a majority of the votes cast on the question are in favor of the  
36 amendment set out in Section 1 of this act, the State Board of Elections shall certify the  
37 amendment to the Secretary of State. The amendment becomes effective upon this  
38 certification. The Secretary of State shall enroll the amendment so certified among the  
39 permanent records of that office.

40 Section 8. Sections 2, 3, and 4 of this act become effective only if the  
41 constitutional amendment proposed by Section 1 of this act is approved as provided in  
42 Sections 6 and 7 of this act. If the constitutional amendment is approved, Sections 2, 3,  
43 and 4 of this act become effective when the State Board of Elections certifies the

- 1 amendment to the Secretary of State. The remainder of this act is effective when it
- 2 becomes law.