

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 325\*  
Finance Committee Substitute Adopted 4/22/99

Short Title: Continuing Care Retirement Homes.

(Public)

Sponsors:

Referred to:

March 11, 1999

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE CORRECTIONS AND CONFORMING CHANGES RELATING  
3 TO TAXATION OF CONTINUING CARE RETIREMENT HOMES.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 105-278.6A(c)(4) reads as rewritten:

6 "(c) Qualification. – A retirement facility qualifies for the benefits of this section if  
7 it meets all of the following conditions:

8 ...

9 (4) Its charter or ~~bylaws, as they existed on August 15, 1998,~~ bylaws provide  
10 that it is governed by a board of directors or trustees at least a majority  
11 of whose members are selected by one or more nonprofit corporations  
12 or associations that meet all of the following conditions:

- 13 a. It is exempt under section ~~501(e)(3)~~ 501(c)(3), (8), or (10) of the  
14 Code.
- 15 b. It is organized for a charitable purpose as defined in G.S. 105-  
16 278.6.
- 17 c. It is not a private foundation as defined in section 509 of the  
18 Code."

19 Section 2. G.S. 105-275.2 is amended by adding a new subsection to read:

1        "(f) Additional Reduction. – Each year, on or before July 15, the governing body of  
2 each county and each municipality shall notify the Secretary of the amount of taxes it  
3 collected in the preceding fiscal year from taxes on qualified retirement facility property,  
4 as defined in G.S. 105-278.6A, discovered on or after January 1, 1998, for taxable years  
5 beginning on or after July 1, 1992. The Secretary shall reduce the amount allocated to  
6 each county and municipality for distribution the following August by one hundred ten  
7 percent (110%) of the amount the county or municipality reports pursuant to this  
8 subsection."

9            Section 3. The Legislative Research Commission shall conduct a  
10 comprehensive study of property tax exemptions for nonprofit institutions, including the  
11 history and evolution of such exemptions in North Carolina, the policy reasons for  
12 property tax exemptions, the effect of the exemptions on local governments and on other  
13 taxpayers, the extent to which other states provide property tax exemptions for nonprofit  
14 institutions, and any other issues it considers relevant. The Legislative Research  
15 Commission shall make a final report of its findings and recommendations to the 2000  
16 Regular Session of the 1999 General Assembly.

17            Section 4. Section 2 of this act is effective on and after July 1, 1998, and  
18 expires September 1, 2003. Section 3 of this act is effective when it becomes law. The  
19 remainder of this act is effective for taxes imposed for taxable years beginning on or after  
20 July 1, 1998. Notwithstanding G.S. 105-275.2(f), as enacted by this act, the report  
21 otherwise due under that subsection on July 15, 1998, is due on July 15, 1999.