

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

H.B. 323  
Mar 14, 2013  
HOUSE PRINCIPAL CLERK

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HOUSE DRH80107-MCx-114 (03/06)

Short Title: Permit Disregard of Certain Reappraisals. (Public)

Sponsors: Representative Hanes.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW THE DISREGARD OF CERTAIN GENERAL REAPPRAISALS  
3 RESULTING IN PROPERTY VALUES THAT MAY NOT BEST REFLECT TRUE  
4 VALUE AS REQUIRED BY APPLICABLE PROPERTY TAX MANDATES.

5 Whereas, the Great Recession has had deleterious effects on the economy and,  
6 especially, on the housing market; and

7 Whereas, the total number of foreclosure filings and the total percentage of  
8 households in some stage of foreclosure during the past quadrennium have been  
9 disproportionately high; and

10 Whereas, annual analysis of the housing market in North Carolina has shown tax  
11 assessments in nearly half of the counties in the State were higher, on average, than actual  
12 market values; and

13 Whereas, the General Assembly has previously altered the timing of general  
14 reappraisals when sales values deviated too much from assessed values, but such countywide  
15 analyses can fail to properly account for pockets of improperly valued properties or where  
16 properties have values that offset improperly valued properties located elsewhere within the  
17 county; and

18 Whereas, these unique and extraordinary conditions have increased the difficulty of  
19 accurately appraising real property for tax purposes and increased the number of actual errors  
20 in conducting reappraisals; and

21 Whereas, the General Assembly recognizes that the confluence of these issues  
22 arising during the time when general reappraisals of real property were occurring has resulted  
23 not only in a higher risk but in a higher incidence of assessed values failing to accurately and  
24 fairly reflect true market values; Now, therefore,

25 The General Assembly of North Carolina enacts:

26 **SECTION 1.** Notwithstanding G.S. 105-287, G.S. 105-325, or any other provision  
27 of law restricting the time for which a change in appraisal or valuation may be made, a board of  
28 county commissioners of a county that conducts a reappraisal of real property under  
29 G.S. 105-286(a)(3) on a quadrennial or more frequent cycle may disregard the latest reappraisal  
30 and revert to the reappraisal immediately preceding the latest reappraisal if (i) the board of  
31 county commissioners adopts a resolution providing for reversion to the preceding reappraisal  
32 no later than July 1 of the fiscal year in which the latest reappraisal would first take effect and  
33 (ii) the board of county commissioners determines that the preceding reappraisal may more  
34 accurately comply with applicable assessment standards than the latest reappraisal. Before  
35 adopting the resolution, the board of commissioners must give at least 10 days' public notice of  
36 its intent to adopt the resolution and must hold a public hearing on the issue of adopting the



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1 resolution. The resolution must designate a new reappraisal cycle and must provide for a  
2 general reappraisal within eight years of the preceding reappraisal. The board of county  
3 commissioners must promptly forward a copy of the resolution adopted under this subdivision  
4 to the Department of Revenue.

5 **SECTION 2.** If all of the conditions of Section 1 of this act are met, a board of  
6 county commissioners shall make any change on the abstracts and tax records necessary to  
7 revert those values to the values established in the preceding reappraisal for the year of the  
8 latest general reappraisal performed pursuant to G.S. 105-286 and shall apply the reverted  
9 values for those properties for each tax year until the next general reappraisal for real property  
10 is performed by the county pursuant to G.S. 105-286, unless those adjusted values are changed  
11 in accordance with G.S. 105-287. In instances of parcels with errors that resulted in an  
12 overpayment of taxes, the governing board shall require that notice of refund and the refund  
13 amount be sent to the owner of record as of the date the payment was made.

14 **SECTION 3.** After reverting values to the values established in the preceding  
15 appraisal pursuant to Section 2 of this act, the board of county commissioners must provide  
16 notice to any taxpayer whose parcel has an adjusted value. A taxpayer who has a parcel with  
17 an adjusted value has 30 days from the date of notice to appeal the adjusted value. The notice  
18 must clearly inform the taxpayer of the 30-day appeal period.

19 **SECTION 4.** Interest on taxes paid on parcels with errors that resulted in the  
20 parcels having an increased value in the latest reappraisal shall be calculated as if there was an  
21 order of the county board of equalization and review reducing the valuation of property  
22 pursuant to G.S. 105-360(e). Additional taxes levied on parcels as a result of errors causing the  
23 parcels to have a decreased value in the latest reappraisal shall be treated as taxes on discovered  
24 property pursuant to G.S. 105-312.

25 **SECTION 5.** This act is effective when it becomes law. If any provision of this act  
26 or its application is held invalid, the invalidity does not affect other provisions or applications  
27 of this act that can be given effect without the invalid provisions or application, and to this end  
28 the provisions of this act are severable.