

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1997

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HOUSE BILL 282

Short Title: Exempt Contractors' Inventory.

(Public)

Sponsors: Representatives Starnes; Hardy and Morris.

Referred to: Commerce, if favorable, Finance.

February 19, 1997

A BILL TO BE ENTITLED

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2 AN ACT TO EXEMPT FROM PROPERTY TAX THE INCREASE IN VALUE OF
3 CERTAIN RESIDENTIAL REAL PROPERTY HELD FOR SALE BY A
4 BUILDER, TO THE EXTENT THE INCREASE IS ATTRIBUTABLE TO
5 SUBDIVISION OR IMPROVEMENTS BY THE BUILDER.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 105-273 is amended by adding a new subdivision to read:

8 "(3a) 'Builder' means a taxpayer engaged in the business of buying real
9 property, making improvements to it, and then reselling it."

10 Section 2. Article 12 of Chapter 105 of the General Statutes is amended by
11 adding a new section to read:

12 "**§ 105-277.12. Certain real property held for sale by builders classified for**
13 **taxation at reduced valuation.**

14 Real property held by a builder for sale as single family residential property is
15 designated a special class of property under authority of Section 2(2) of Article V of the
16 North Carolina Constitution. Any increase in value of this classified property
17 attributable to subdivision of or other improvements made to the property by the builder
18 is excluded from taxation under this Subchapter as long as the builder continues to hold
19 the property for sale. The builder must apply for this exclusion as provided in G.S.
20 105-282.1. In appraising property classified under this section, the assessor shall specify
21 what portion of the value is an increase attributable to subdivision or other improvement
22 by the builder."

23 Section 3. G.S. 105-282.1(a)(3) reads as rewritten:

24 "(3) After an owner of property entitled to exemption under G.S.
25 105-278.3, 105-278.4, 105-278.5, 105-278.6, 105-278.7, or 105-278.8
26 or full or partial exclusion under G.S. 105-275(3), (7), (8), (12), (17)
27 through (19), (21) or (39), G.S. 105-277.1, G.S. 105-277.12, or G.S.
28 105-278 has applied for exemption or exclusion and the exemption or

1 exclusion has been approved, the owner is not required to file an
2 application in subsequent years except in the following circumstances:

- 3 a. New or additional property is acquired or improvements are
4 added or removed, necessitating a change in the valuation of the
5 property; or
6 b. There is a change in the use of the property or the qualifications
7 or eligibility of the taxpayer necessitating a review of the
8 exemption or exclusion."

9 Section 4. This act is effective for taxes imposed for taxable years beginning
10 on or after July 1, 1998.

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