

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 421

House Committee Substitute Favorable 8/24/98
House Committee Substitute #2 Favorable 10/15/98
House Committee Substitute #3 Favorable 10/19/98
House Committee Substitute #4 Favorable 10/22/98

Short Title: Local Option Homestead Exemption.

(Public)

Sponsors:

Referred to:

March 18, 1997

A BILL TO BE ENTITLED

AN ACT TO AMEND THE CONSTITUTION OF NORTH CAROLINA, IF APPROVED BY THE VOTERS IN THE 2000 GENERAL ELECTION, TO AUTHORIZE THE GENERAL ASSEMBLY TO ENACT LEGISLATION ALLOWING EACH COUNTY TO, WITHOUT REIMBURSEMENT, (I) INCREASE THE AMOUNT OF THE PROPERTY TAX HOMESTEAD EXEMPTION FOR LOW-INCOME ELDERLY AND DISABLED INDIVIDUALS IN THAT COUNTY AND (II) RAISE THE DEFINITION OF "LOW-INCOME" SO THAT MORE ELDERLY AND DISABLED INDIVIDUALS CAN QUALIFY FOR THE EXEMPTION.

The General Assembly of North Carolina enacts:

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

"(8) Property tax homestead exclusion. If the General Assembly enacts legislation classifying and excluding from ad valorem taxation part of the value of the residence of each elderly or disabled individual whose income is below a maximum amount and who

1 satisfies other conditions, the General Assembly may, notwithstanding subsection (2) of
2 this section, enact a general law uniformly applicable throughout the State authorizing
3 each county to increase the portion of a classified residence's value that is excluded in
4 that county and to increase the maximum income threshold to qualify for the exclusion in
5 that county."

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

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

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

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

24
25 **'PROPERTY TAX RELIEF FOR ELDERLY AND**
26 **PERMANENTLY DISABLED PERSONS.**
27

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

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

1 to make any of the notices required by this paragraph before April 15 will result in
2 penalties and interest.

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

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

7 **"§ 105-328. Listing, appraisal, and assessment of property subject to taxation by**
8 **cities and towns situated in more than one county.**

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

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

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

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

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

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

25 Section 5. 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 6. 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 7. 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 5 and 6 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.