

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

S

1

SENATE BILL 811

Short Title: Ad Valorem Taxes/Educational Institutions.

(Public)

---

Sponsors: Senators Royall; Sands and Tally.

---

Referred to: Finance.

---

April 24, 1991

A BILL TO BE ENTITLED

1 AN ACT TO MODIFY THE AD VALOREM TAX EXEMPTIONS OR  
2 EXCLUSIONS RELATIVE TO PERSONAL AND REAL PROPERTY OWNED  
3 BY EDUCATIONAL INSTITUTIONS WHICH IS INCIDENTAL TO,  
4 REASONABLY RELATED TO, AND REASONABLY NECESSARY FOR  
5 EDUCATIONAL PURPOSES.  
6

7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 105-278.4(d) is rewritten to read:

9 "(d) The fact that land, a building, or a facility is available to and patronized by  
10 the general public shall not defeat the exclusion granted by this section so long as its  
11 uses are consistent with the uses of similarly situated land, buildings, or facilities owned  
12 by the State and operated as educational institutions. Further, the fact that land, a  
13 building, or a facility owned by an educational institution, as defined in G.S. 116-22, is  
14 available to and patronized by the general public shall not defeat the exclusion granted  
15 by this section as long as the uses of the land, building, or facility are consistent with the  
16 uses of similarly situated land, buildings, or facilities owned by the State and operated  
17 as educational institutions."

18 Sec. 2. G.S. 105-278.4 is amended by adding at the end a new subsection to  
19 read:

20 "(g) Real and personal property owned by an educational institution, as defined in  
21 G.S. 116-22, shall be exempt from ad valorem taxation if it: (i) is of a kind commonly  
22 employed in the performance of those activities naturally and properly incident to the  
23 operation of an educational institution, (ii) is of a kind commonly used by similarly  
24 situated educational institutions owned by the State, or (iii) is used for a purpose

1 reasonably related to, and reasonably necessary for the fulfillment of its educational  
2 purpose shall be exempt from ad valorem taxation."

3 Sec. 3. G.S. 105-275 is amended by adding a new subdivision to read:

4 "(40) Real and personal property owned by an educational institution of a  
5 kind commonly employed in the performance of those activities  
6 naturally and properly incident to the operation of an educational  
7 institution or maintained and used for sports and recreation by that  
8 educational institution, its students, faculty, employees, alumni,  
9 benefactors, or affiliates or by their families and guests. This  
10 exclusion also includes real and personal property the use of which is  
11 incidental to and reasonably related to the function and operation of  
12 these activities and sports and recreation facilities, including property  
13 used for book, school supply, and souvenir sales; vending, food and  
14 beverage sales; and sales in golf course pro shops. The fact that the  
15 property is used by the general public shall not defeat this exclusion."

16 Sec. 4. This act is effective for taxes imposed for taxable years beginning on  
17 or after July 1, 1992.