GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 421

Short Title: Local Option Homestead Relief.

Sponsors: Senators Cooper; Albertson, Allran, Ballance, Ballantine, Blust, Carpenter, Carrington, Cochrane, Conder, Dalton, Dannelly, Forrester, Foxx, Hartsell, Hoyle, Jenkins, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel,

Miller, Odom, Perdue, Phillips, Plyler, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Soles, Weinstein, Wellons, and Winner.

Referred to: Finance.

March 18, 1997

A BILL TO BE ENTITLED 1 2 AN ACT TO AMEND THE CONSTITUTION OF NORTH CAROLINA TO 3 AUTHORIZE THE GENERAL ASSEMBLY TO ENACT LEGISLATION ALLOWING EACH COUNTY TO (I) INCREASE THE AMOUNT OF THE 4 PROPERTY TAX HOMESTEAD EXEMPTION FOR LOW-INCOME ELDERLY 5 6 AND DISABLED INDIVIDUALS IN THAT COUNTY AND (II) RAISE THE 7 DEFINITION OF "LOW-INCOME" SO THAT MORE ELDERLY AND 8 DISABLED INDIVIDUALS CAN QUALIFY FOR THE EXEMPTION. 9 The General Assembly of North Carolina enacts: Section 1. Section 2 of Article V of the North Carolina Constitution is 10 11 amended by adding a new subdivision to read: "(8) Property tax homestead exclusion. If the General Assembly enacts legislation 12 classifying and excluding from ad valorem taxation part of the value of the residence of 13 each elderly or disabled individual whose income is below a maximum amount and who 14 satisfies other conditions, the General Assembly may, notwithstanding subdivision (2) of 15 this section, enact a general law uniformly applicable throughout the State authorizing 16

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1	each county to increase the portion of a classified residence's value that is excluded in		
2	that county and to increase the maximum income threshold to qualify for the exclusion in		
3	that county."		
4	Section 2. G.S. 105-277.1 is amended by adding a new subsection to read:		
5	"(<u>a1</u>) Local Option Increase. – The board of commissioners of a county may, by		
6	resolution, increase the amount of the exclusion provided in subsection (a) of this section,		
7	increase the maximum income threshold provided in subdivision (a)(2) of this section, or		
8	both. An increase adopted under this subsection shall apply uniformly within the county.		
9	The board of commissioners of a county may, by resolution, repeal or reduce an increase		
10	adopted under this subsection, but may not reduce the exclusion or the income threshold		
11	provided in subsection (a) of this section. A resolution changing the exclusion amount or		
12	the income threshold within a county pursuant to this subsection shall become effective		
13	no earlier than for the taxable year beginning July 1 following adoption of the		
14	resolution."		
15	Section 3. G.S. 105-309(f) reads as rewritten:		
16	"(f) The following information shall appear on each abstract or on an information		
17	sheet distributed with the abstract. If the county has increased the exclusion amount or		
18	the income threshold pursuant to G.S. 105-277.1(a1), the assessor shall substitute the		
19	applicable dollar amounts. The abstract or sheet must include the address and telephone		
20	number of the assessor below the notice required by this subsection. The notice shall read		
21	as follows:		
22			
23	'PROPERTY TAX RELIEF FOR ELDERLY AND		
23 24	'PROPERTY TAX RELIEF FOR ELDERLY AND PERMANENTLY DISABLED PERSONS.		
23 24 25	PERMANENTLY DISABLED PERSONS.		
23 24 25 26	PERMANENTLY DISABLED PERSONS. North Carolina excludes from property taxes the first twenty thousand dollars		
23 24 25 26 27	PERMANENTLY DISABLED PERSONS. North Carolina excludes from property taxes the first twenty thousand dollars (\$20,000) in appraised value of a permanent residence owned and occupied by North		
23 24 25 26 27 28	PERMANENTLY DISABLED PERSONS. North Carolina excludes from property taxes the first twenty thousand dollars (\$20,000) in appraised value of a permanent residence owned and occupied by North Carolina residents aged 65 or older or totally and permanently disabled whose income		
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 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 	PERMANENTLY DISABLED PERSONS. North Carolina excludes from property taxes the first twenty thousand dollars (\$20,000) in appraised value of a permanent residence owned and occupied by North Carolina residents aged 65 or older or totally and permanently disabled whose income does not exceed fifteen thousand dollars (\$15,000). Income means the owner's adjusted gross income as determined for federal income tax purposes, plus all moneys received other than gifts or inheritances received from a spouse, lineal ancestor or lineal descendant. If you received this exclusion in (assessor insert previous year), you do not need to apply again unless you have changed your permanent residence. If you received the exclusion in (assessor insert previous year) because you were totally and permanently disabled and you are no longer totally and permanently disabled, you must notify the assessor. If the person receiving the exclusion in (assessor insert previous year)		

1 If you did not receive the exclusion in (assessor insert previous year) but are now 2 eligible, you may obtain a copy of an application from the assessor. It must be filed by 3 April 15."

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

5 "§ 105-328. Listing, appraisal, and assessment of property subject to taxation by 6 cities and towns situated in more than one county.

7 For-Except as provided in subsection (a1) of this section, for purposes of (a) 8 municipal taxation, all property subject to taxation by a city or town situated in two or 9 more counties may, by resolution of the governing body of the municipality, be listed, appraised, and assessed as provided in G.S. 105-326 and 105-327 if, in such a case, in the 10 opinion of the governing body, the same appraisal and assessment standards will thereby 11 12 apply uniformly throughout the municipality. However, if, in such a case, the governing body shall determine-determines that adoption of the appraisals and assessments fixed by 13 14 the counties will not result in uniform appraisals and assessments throughout the 15 municipality, the governing body may, by horizontal adjustments, equalize the appraisal and assessment values fixed by the counties in order to obtain the required uniformity. 16 17 Taxes levied by the city or town shall be levied uniformly on the assessments so 18 determined.

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

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

- The governing body of the city or town shall appoint a municipal 26 (1)27 assessor on or before the first Monday in July in each odd-numbered year. The governing body may remove the municipal assessor from 28 29 office during his term for good cause after giving him notice in writing 30 and an opportunity to appear and be heard at a public session of the appointing body. Whenever a vacancy occurs in the office, the 31 governing body shall appoint a qualified person to serve as municipal 32 33 assessor for the period of the unexpired term. Persons holding the position of municipal assessor on July 1, 1971, shall be deemed 34 35 qualified to fill the position. A person appointed as a municipal assessor 36 shall meet the qualifications and requirements set for a county assessor under G.S. 105-294. 37 38
- With the approval of the governing body, a municipal assessor may
 with the approval of the governing body, a municipal assessor may
 employ listers, appraisers, and clerical assistants necessary to carry out
 the listing, appraisal, assessing, and billing functions required by law.
- 41 (3) A municipal assessor and the persons employed by him have the same
 42 powers and duties as their county equivalents with respect to property
 43 subject to taxation by a city or town.

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1 2 3 4 5	(4)	The governing body shall, with respect to property subject to city or town taxation, be vested with the powers and duties vested by this Subchapter in boards of county commissioners and boards of equalization and review. Appeals may be taken from the municipal board of equalization and review or governing body to the Property Tax	
6		Commission in the manner provided in this Subchapter for appeals from	
7		county boards of equalization and review and boards of county	
8	(5)	commissioners.	
9 10	(5)	All expenses incident to the listing, appraisal, and assessment of property for the purpose of city or town taxation shall be borne by the	
10		municipality for whose benefit the work is undertaken.	
12	(6)	The intent of this subsection (b) is to provide cities and towns that are	
13	(0)	situated in two or more counties with machinery for listing, appraising,	
14		and assessing property for municipal taxation equivalent to that	
15		established by this Subchapter for counties. The powers to be exercised	
16		by, the duties imposed on, and the possible penalties against municipal	
17		governing bodies, boards of equalization and review, assessors, and	
18		persons employed by an assessor shall be the same as those provided in	
19		this Subchapter by, on, or against county boards of commissioners,	
20		boards of equalization and review, assessors, and persons employed by	
21	a	an assessor."	
22	Section 5. The amendment set out in Section 1 of this act shall be submitted to		
23	the qualified voters of the State at the general election in November 1998. The election		
24	shall be conducted under the laws then governing elections in the State. Ballots, voting		
25 26	systems, or both may be used in accordance with Chapter 163 of the General Statutes. The question to be used in the voting systems and ballots shall be:		
20 27	The question to	"[] FOR [] AGAINST	
28	Const	itutional amendment authorizing the General Assembly to allow counties	
29	to (1) increase the property tax exemption for a residence owned by a low-income elderly		
30	or disabled person and (2) raise the definition of 'low-income' so more elderly and		
31	disabled persons can qualify for the exemption."		
32	Section 6. If a majority of the votes cast on the question are in favor of the		
33	amendment set out in Section 1 of this act, the State Board of Elections shall certify the		
34	amendment to the Secretary of State. The amendment becomes effective upon this		
35	certification. The Secretary of State shall enroll the amendment so certified among the		
36	permanent records of that office.		
37	Section 7. Sections 2, 3, and 4 of this act become effective only if the		
38	constitutional amendment proposed by Section 1 of this act is approved as provided in		
39	Sections 5 and 6 of this act. If the constitutional amendment is approved, Sections 2, 3,		
40		ict become effective when the State Board of Elections certifies the	
41		ne Secretary of State. n 8. This act is effective when it becomes law.	
42	Sectio	in o. This act is effective when it becomes law.	