

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 1280

Short Title: Health Care Facility and CCRC Tax Exempt.

(Public)

Sponsors: Senators Hoyle; and Purcell.

Referred to: Finance.

May 17, 2000

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE PROPERTY TAX TREATMENT OF A HEALTH CARE FACILITY UNDERTAKEN BY THE MEDICAL CARE COMMISSION PURSUANT TO THE HEALTH CARE FACILITIES FINANCE ACT, AND TO EXTEND THE SUNSET ON THE PROPERTY TAX EXEMPTION FOR CONTINUING CARE RETIREMENT CENTERS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 131A-21 reads as rewritten:

"§ 131A-21. Tax exemption.

The exercise of the powers granted by this Chapter will be in all respects for the benefit of the people of the State and will promote their health and welfare, and no tax or assessment shall be levied upon any health care facilities undertaken by the Commission prior to the retirement or provision for the retirement of all bonds or notes issued and obligations incurred by the Commission in connection with such health care facilities. welfare. If bonds or notes are issued by the Commission to provide or improve a health care facility, then until the bonds or notes are retired, the facility for which bonds or notes are issued is exempt from property taxes to the extent provided in this section. An exemption under this section shall not exceed the lesser of the principal amount of the bonds or notes or the assessed value for ad valorem tax purposes of the facility. In the case of an addition or expansion to a facility, then only the new part is exempt. In the case of renovation to a

1 facility, then only the part being renovated is exempt. In the case of construction of a
2 new facility or improvement to an existing facility that affects the entire facility, then the
3 entire facility is exempt. This section does not affect a health care facility's eligibility for
4 a property tax exemption under Subchapter II of Chapter 105 of the General Statutes.

5 Any bonds or notes issued by the Commission under the provisions of this Chapter
6 shall at all times be free from taxation by the State or any local unit or political
7 subdivision or other instrumentality of the State, excepting ~~inheritance~~ inheritance, estate,
8 or gift taxes, income taxes on the gain from the transfer of the bonds and notes, and
9 franchise taxes. The interest on the bonds and notes is not subject to taxation as income."

10 Section 2. Subsection (e) of Section 29A.18 of Chapter 212 of the 1998
11 Session Laws reads as rewritten:

12 "(e) Subsection (a) of this section is effective for taxes imposed for taxable years
13 beginning on or after July 1, 1998. Notwithstanding the provisions of G.S. 105-282.1(a),
14 an application for the benefit provided in subsection (a) of this section for the 1998-99
15 tax year is timely if it is filed on or before November 15, 1998. ~~Subsection (a) of this~~
16 ~~section—G.S. 105-278.6A~~ is repealed effective for taxes imposed for taxable years
17 beginning on or after July 1, ~~2000-2001~~. The remainder of this section is effective when
18 it becomes law."

19 Section 3. Section 1 of this act becomes effective October 1, 2000, and applies
20 to bonds or notes issued on or after that date. Section 2 of this act becomes effective July
21 1, 2000. The remainder of this act is effective when it becomes law.