

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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1

HOUSE BILL 50

Short Title: Local Option Homestead Exemption.

(Public)

Sponsors: Representatives Rayfield; Barbee, Barefoot, Blust, Buchanan, Cansler, Church, Culp, Earle, Fox, Gillespie, Gulley, Harrington, Hill, Hilton, Hunter, Hurley, Justus, Kiser, McComas, McCombs, Miner, Morris, Oldham, Preston, Setzer, Sherrill, Walker, Warner, Weatherly, West, C. Wilson, G. Wilson, Womble, and Yongue.

Referred to: Finance.

February 6, 2001

A BILL TO BE ENTITLED

1
2 AN ACT TO AMEND THE NORTH CAROLINA CONSTITUTION, IF APPROVED
3 BY THE VOTERS IN THE 2002 GENERAL ELECTION, TO AUTHORIZE THE
4 GENERAL ASSEMBLY TO ENACT LEGISLATION ALLOWING EACH
5 COUNTY TO (I) INCREASE THE AMOUNT OF THE PROPERTY TAX
6 HOMESTEAD EXEMPTION FOR LOW-INCOME ELDERLY AND DISABLED
7 INDIVIDUALS IN THAT COUNTY AND (II) RAISE THE DEFINITION OF
8 "LOW-INCOME" SO THAT MORE ELDERLY AND DISABLED
9 INDIVIDUALS CAN QUALIFY FOR THE EXEMPTION.

10 The General Assembly of North Carolina enacts:

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

13 "(8) Property tax homestead exclusion. If the General Assembly enacts
14 legislation classifying and excluding from ad valorem taxation part of
15 the value of the residence of each elderly or disabled individual whose
16 income is below a maximum amount and who satisfies other
17 conditions, the General Assembly may, notwithstanding subsection (2)
18 of this section, enact a general law uniformly applicable throughout the
19 State authorizing each county to increase the portion of a classified
20 residence's value that is excluded in that county and to increase the
21 maximum income threshold to qualify for the exclusion in that
22 county."

23 **SECTION 2.** G.S. 105-277.1 is amended by adding a new subsection to read:

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

11 **SECTION 3.** G.S. 105-309(f) reads as rewritten:

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

18
19 'PROPERTY TAX RELIEF FOR ELDERLY AND
20 PERMANENTLY DISABLED PERSONS.
21

22 North Carolina excludes from property taxes the first twenty thousand dollars
23 (\$20,000) in appraised value of a permanent residence owned and occupied by North
24 Carolina residents aged 65 or older or totally and permanently disabled whose income
25 does not exceed fifteen thousand dollars (\$15,000). Income means the owner's adjusted
26 gross income as determined for federal income tax purposes, plus all moneys received
27 other than gifts or inheritances received from a spouse, lineal ancestor or lineal
28 descendant.

29 If you received this exclusion in (assessor insert previous year), you do not need to
30 apply again unless you have changed your permanent residence. If you received the
31 exclusion in (assessor insert previous year) and your income in (assessor insert previous
32 year) was above fifteen thousand dollars (\$15,000), you must notify the assessor. If you
33 received the exclusion in (assessor insert previous year) because you were totally and
34 permanently disabled and you are no longer totally and permanently disabled, you must
35 notify the assessor. If the person receiving the exclusion in (assessor insert previous
36 year) has died, the person required by law to list the property must notify the assessor.
37 Failure to make any of the notices required by this paragraph before April 15 will result
38 in penalties and interest.

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

42 **SECTION 4.** G.S. 105-328 reads as rewritten:

43 "**§ 105-328. Listing, appraisal, and assessment of property subject to taxation by**
44 **cities and towns situated in more than one county.**"

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

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

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

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

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

35 (3) A municipal assessor and the persons employed by him have the same
36 powers and duties as their county equivalents with respect to property
37 subject to taxation by a city or town.

38 (4) The governing body shall, with respect to property subject to city or
39 town taxation, be vested with the powers and duties vested by this
40 Subchapter in boards of county commissioners and boards of
41 equalization and review. Appeals may be taken from the municipal
42 board of equalization and review or governing body to the Property
43 Tax Commission in the manner provided in this Subchapter for

1 appeals from county boards of equalization and review and boards of
2 county commissioners.

3 (5) All expenses incident to the listing, appraisal, and assessment of
4 property for the purpose of city or town taxation shall be borne by the
5 municipality for whose benefit the work is undertaken.

6 (6) The intent of this subsection (b) is to provide cities and towns that are
7 situated in two or more counties with machinery for listing, appraising,
8 and assessing property for municipal taxation equivalent to that
9 established by this Subchapter for counties. The powers to be
10 exercised by, the duties imposed on, and the possible penalties against
11 municipal governing bodies, boards of equalization and review,
12 assessors, and persons employed by an assessor shall be the same as
13 those provided in this Subchapter by, on, or against county boards of
14 commissioners, boards of equalization and review, assessors, and
15 persons employed by an assessor."

16 **SECTION 5.** The catch line of G.S. 105-277.1 reads as rewritten:

17 "**§ 105-277.1. Property ~~classified for taxation at reduced valuation.~~ tax homestead**
18 **exclusion.**"

19 **SECTION 6.** The amendment set out in Section 1 of this act shall be
20 submitted to the qualified voters of the State at the statewide general election to be held
21 in 2002. The election shall be conducted under the laws then governing elections in the
22 State. Ballots, voting systems, or both may be used in accordance with Chapter 163 of
23 the General Statutes. The question to be used in the voting systems and ballots shall be:

24 "[] FOR [] AGAINST

25 Constitutional amendment authorizing the General Assembly to allow
26 counties to (1) increase the property tax exemption for a residence owned by a
27 low-income elderly or disabled person and (2) raise the definition of 'low-income' so
28 more elderly and disabled persons can qualify for the exemption."

29 **SECTION 7.** If a majority of the votes cast on the question are in favor of
30 the amendment set out in Section 1 of this act, the State Board of Elections shall certify
31 the amendment to the Secretary of State. The amendment becomes effective upon this
32 certification. The Secretary of State shall enroll the amendment so certified among the
33 permanent records of that office.

34 **SECTION 8.** Sections 2, 3, and 4 of this act become effective only if the
35 constitutional amendment proposed by Section 1 of this act is approved as provided in
36 Sections 6 and 7 of this act. If the constitutional amendment is approved, Sections 2, 3,
37 and 4 of this act become effective when the State Board of Elections certifies the
38 amendment to the Secretary of State. The remainder of this act is effective when it
39 becomes law.