

NORTH CAROLINA GENERAL ASSEMBLY
1973 SESSION

CHAPTER 695
SENATE BILL 147

AN ACT TO REVISE THE STATUTES PROVIDING FOR PROPERTY TAX
CLASSIFICATIONS AND EXEMPTIONS AND TO REPEAL THE AUTHORITY TO
USE ASSESSMENT RATIOS IN THE TAXATION OF PROPERTY.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-275 is rewritten to read as follows:

"§ 105-275. **Property classified and excluded from the tax base.** — The following classes of property are hereby designated special classes under authority of Article V, Section 2(2), of the North Carolina Constitution and shall not be listed, appraised, assessed, or taxed:

- (1) Tangible personal property stored in this State for shipment through a North Carolina seaport terminal to a foreign country — for one tax year as prescribed herein. An owner of property stored in this State who, as of the tax listing date in any year, expects to ship that property to a foreign country- through a North Carolina seaport terminal before January 1 of the following year, shall list such property as required by law. At the time of listing it, he shall describe the property on the abstract in such a way that it may be identified and distinguished from other property of the owner, and as part of the description the owner shall write or stamp the following statement on the abstract: 'The owner expects to ship this property to a foreign country through a North Carolina seaport terminal before January 1 of next year.' Property so listed and earmarked shall be appraised, assessed, and taxed; but if the property is shipped as expected, the governing body of the taxing unit shall release the claim for taxes and, if the taxes have been paid, refund them to the person who paid them. Before ordering such a release, however, the governing body shall require the property owner to furnish it with a copy of the bill of lading for the qualifying shipment, adequately identifying the property as that which was listed by the owner. (The purpose of this classification is to encourage the development of the ports of this State.)
- (2) Tangible personal property that has been imported from a foreign country through a North Carolina seaport terminal and which is stored at such a terminal while awaiting further shipment— for the first 12 months of such storage. (The purpose of this classification is to encourage the development of the ports of this State.)
- (3) Real and personal property owned by nonprofit water or nonprofit sewer associations or corporations.
- (4) For the year following that in which grown, farm products (including crops but excluding poultry and other livestock) that:
 - a. are in an unmanufactured state and
 - b. are owned by the original producer.
- (5) Vehicles that the United States government gives to veterans on account of disabilities they suffered in World War II, the Korean Conflict, or the Viet Nam Era so long as they are owned by:

- a. a person to whom a vehicle has been given by the United States government or
 - b. another person who is entitled to receive such a gift under Title 38, Section 252, United States Code Annotated.
- (6) Real and personal property that is:
- a. owned by a nonprofit corporation formed under the provisions of Chapter 55A of the General Statutes and
 - b. appropriated exclusively for public parks and drives.
- (7) Real and personal property that is used or, if under construction, is to be used exclusively for air cleaning or waste disposal or to abate, reduce, or prevent the pollution of air or water (including, but not limited to, waste lagoons and facilities owned by public or private utilities built and installed primarily for the purpose of providing sewer service to areas that are predominantly residential in character or areas that lie outside territory already having sewer service), if the Board of Water and Air Resources furnishes a certificate to the tax supervisor of the county in which the property is situated or to be situated stating that the Board has found that the described property:
- a. has been or will be constructed or installed;
 - b. complies with or that plans therefor which have been submitted to the Board indicate that it will comply with the requirements of the Board;
 - c. is being effectively operated or will, when completed, be required to operate in accordance with the terms and conditions of the permit, certificate of approval, or other document of approval issued by the Board; and
 - d. has or, when completed, will have as its primary rather than incidental purpose the reduction of water pollution resulting from the discharge of sewage and waste or the reduction of air pollution resulting from the emission of air contaminants.
- (8) All cotton while subject to transit privileges under Interstate Commerce Commission tariffs.
- (9) Personal property of nonresidents of the State in its original package or fungible goods in bulk, belonging to a nonresident of the State, shipped into this State and placed in a public warehouse for the purpose of transshipment to an out-of-state or within-the-state destination, and so designated on the original bill of lading, so long as such personal property remains in its original package or, if fungible, in bulk, and in such a public warehouse. No portion of a premises owned or leased by a consignor or consignee, or subsidiary of a consignor or consignee, shall be deemed to be a public warehouse within the meaning of this subdivision despite any licensing as such.
- (10) Personal property of residents of the State in its original package and fungible goods in bulk, belonging to a resident of the State, placed in a public warehouse for the purpose of transshipment to an out-of-state destination, and so designated on the original bill of lading, so long as such personal property remains in its original package or, if fungible, in bulk, and in such a public warehouse. No portion of a premises owned or leased by a consignor or consignee, or a subsidiary of a consignor or consignee, shall be deemed to be a public warehouse within the meaning of this subdivision despite any licensing as such.

- (11) Real property owned by a non-profit corporation or association exclusively held and used by its owner for educational and scientific purposes as a protected natural area. (For purposes of this subdivision, the term 'protected natural area' means a nature reserve or park in which all types of wild nature, flora and fauna, and biotic communities are preserved for observation and study.
- (12) A motor chassis belonging to nonresidents, which chassis temporarily enters the State for the purpose of having a body mounted thereon."

Sec. 2. G.S. 105-277 is rewritten to read as follows:

"§ 105-277. Property classified for taxation at reduced rates. — (a) Agricultural Products in Storage. Any agricultural product held in storage in North Carolina by any manufacturer or processor for manufacturing or processing, which product is of such nature as customarily to require storage and processing for periods of more than one year in order to age or condition the product for manufacture, is hereby designated a special class of property under authority of Article V, Section 2(2), of the North Carolina Constitution.

Agricultural products so classified shall be taxed uniformly as a class in each local taxing unit at sixty percent (60%) of the rate levied for all purposes upon real property and other tangible personal property by the taxing unit in which the products are listed for taxation.

(b) Peanuts. Peanuts held in storage in North Carolina in the year following the year in which grown are hereby designated a special class of property under authority of Article V, Section 2(2), of the North Carolina Constitution. Peanuts so classified shall be taxed uniformly as a class in each local taxing unit at twenty percent (20%) of the rate levied for all purposes upon real property and other tangible personal property by the taxing unit in which the peanuts are listed for taxation.

(c) Baled Cotton. Cotton in bales held in North Carolina for manufacturing or processing in this State is hereby designated a special class of property under authority of Article V, Section 2(2), of the North Carolina Constitution. Baled cotton so classified shall be taxed uniformly as a class in each local taxing unit at fifty percent (50%) of the rate levied for all purposes upon real property and other tangible personal property by the taxing unit in which the cotton is listed for taxation.

(d) All bona fide indebtedness incurred in the purchase of fertilizer and fertilizer materials owing by a taxpayer as principal debtor may be deducted from the total value of all fertilizer and fertilizer materials as are held by such taxpayer for his own use in agriculture during the current year. Provided, further, that from the total value of cotton stored in this State there may be deducted by the owner thereof all bona fide indebtedness incurred directly for the purchase of said cotton and for the payment of which the cotton so purchased is pledged as collateral."

Sec. 3. A new section to read as follows is inserted immediately following G.S. 105-277:

"§ 105-277A. Property classified for taxation at reduced valuation. — Farm products (including crops but excluding poultry and other livestock) held by or for a cooperative stabilization or marketing association or corporation to which they have been delivered, conveyed, or assigned by the original producer for the purpose of sale are hereby designated a special class of property under authority of Article V, Section 2(2), of the North Carolina Constitution. Before being assessed for taxation, the appraised valuation of farm products so classified shall be reduced by the amount of any unpaid loan or advance made or granted thereon by the United States government, an agency of the United States government, or a cooperative stabilization or marketing association or corporation."

Sec. 4. G.S. 105-278 and G.S. 105-280 are repealed, and the nine sections set out herein are substituted for them:

"§ 105-278. Exemption of real and personal property owned by units of government. —

(a) Real and personal property owned by the United States and, by virtue of federal law, not subject to state and local taxes shall be exempted from taxation.

(b) Real and personal property owned by any of the following units of government shall be exempted from taxation if it is used wholly and exclusively for public purposes:

- (1) the State of North Carolina,
- (2) a county of this State,
- (3) a city or town of this State,
- (4) a special district or other unit of local government of this State, or
- (5) two or more units of local government of this State.

(c) For purposes of this section:

- (1) A specified unit of government (federal, State, or local) includes its departments, institutions, and agencies.
- (2) By way of illustration but not by way of limitation, the following boards, commissions, authorities, and institutions are units of State government:
 - a. The State Marketing Authority established by G.S. 106-529.
 - b. The Board of Governors of the University of North Carolina incorporated under the provisions of G.S. 116-3 and known as 'the University of North Carolina'.
 - c. The North Carolina Museum of Art made an agency of the State under G.S. 140-1.
- (3) By way of illustration but not by way of limitation, the following boards, commissions, authorities, and institutions are units of local government of this State:
 - a. An airport authority, board, or commission created as a separate and independent body corporate and politic by an act of the General Assembly.
 - b. An airport authority, board, or commission created as a separate and independent body corporate and politic by one or more counties or municipalities or combinations thereof under the authority of an act of the General Assembly.
 - c. A hospital authority created under G.S. 131-93.
 - d. A housing authority created under G.S. 157-4 or G.S. 157-4.1.
 - e. A municipal parking authority created under G.S. 160-477.
 - f. A veterans' recreation authority created under G.S. 165-26.

"§ 105-278.1. Burial property. — Real property set apart for burial purposes shall be exempted from taxation unless it is owned and held for purposes of (a) sale or rental or (b) sale of burial rights therein. For purposes of this section, the term 'real property' includes land, tombs, vaults, mausoleums, monuments, and similar structures.

"§ 105-278.2. Real and personal property used for religious purposes. — (a) Buildings, the land they actually occupy, and additional adjacent land reasonably necessary for the convenient use of any such building shall be exempted from taxation if wholly owned by an agency listed in subsection (c), below, and if:

- (1) wholly and exclusively used by its owner for religious purposes as defined in subsection (d)(1), below; or
- (2) occupied gratuitously by one other than the owner and wholly and exclusively used by the occupant for religious, charitable, or nonprofit educational, literary, scientific, or cultural purposes.

(b) Personal property shall be exempted from taxation if wholly owned by an agency listed in subsection (c), below, and if:

- (1) wholly and exclusively used by its owner for religious purposes; or

- (2) gratuitously made available to one other than the owner and wholly and exclusively used by the possessor for religious, charitable, or nonprofit educational, literary, scientific, or cultural purposes.
 - (c) The following agencies, when the other requirements of this section are met, may obtain exemption for their properties:
 - (1) a congregation, parish, mission, or similar local unit of a church or religious body or
 - (2) a conference, association, presbytery, diocese, district, synod, or similar unit comprising local units of a church or religious body.
 - (d) Within the meaning of this section:
 - (1) A religious purpose is one that pertains to practicing, teaching, and setting forth a religion. Although worship is the most common religious purpose, the term encompasses other activities that demonstrate and further the beliefs and objectives of a given church or religious body. Within the meaning of this section, the ownership and maintenance of a general or promotional office or headquarters by an owner listed in subdivision (2) of subsection (c), above, is a religious purpose, and the ownership and maintenance of residences for ministers assigned to or serving a congregation, parish, mission, or similar local unit is also a religious purpose. However, the ownership and maintenance of residences for other employees is not a religious purpose for either a local unit of a church or a religious body or a conference, association, presbytery, diocese, district, synod, or similar unit of a church or religious body.
 - (2) A charitable purpose is one that has humane and philanthropic objectives; it is an activity that benefits humanity or a significant rather than limited segment of the community without expectation of pecuniary profit or reward. The humane treatment of animals is also a charitable purpose.
 - (3) An educational purpose is one that has as its objective the education or instruction of human beings; it comprehends the transmission of information and the training or development of the knowledge or skills of individual persons.
 - (4) A literary purpose is one that pertains to letters or literature (including drama), especially writing, publishing, and the study of literature.
 - (5) A cultural purpose is one that is conducive to the enlightenment and refinement of taste acquired through intellectual and aesthetic training, education, and discipline.
 - (6) A scientific purpose is one that yields knowledge systematically through research, experimentation or other work done in one or more of the natural sciences.
 - (e) Notwithstanding the exclusive use requirement of subsection (a), above, if part of a property that otherwise meets that subsection's requirements is used for a purpose that would require exemption if the entire property were so used, the valuation of the part so used shall be exempted from taxation.
 - (f) The fact that a building or facility is incidentally available to and patronized by the general public, so long as there is no material amount of business or patronage with the general public, shall not defeat the exemption granted by this section.
- "§ 105-278.3. Real and personal property used for educational purposes.** — (a) Buildings, the land they actually occupy, and additional land reasonably necessary for the convenient use of any such building shall be exempted from taxation if:

- (1) owned by an educational institution (including a university, college, school, seminary, academy, industrial school, public library, museum, and similar institution);
- (2) the owner is not organized or operated for profit and no officer, shareholder, member, or employee of the owner or any other person is entitled to receive pecuniary profit from the owner's operations except reasonable compensation for services;
- (3) of a kind commonly employed in the performance of those activities naturally and properly incident to the operation of an educational institution such as the owner; and
- (4) wholly and exclusively used for educational purposes by the owner or occupied gratuitously by another nonprofit educational institution (as defined herein) and wholly and exclusively used by the occupant for nonprofit educational purposes.

(b) Land (exclusive of improvements); and improvements other than buildings, the land actually occupied by such improvements, and additional land reasonably necessary for the convenient use of any such improvement shall be exempted from taxation if:

- (1) owned by an educational institution that owns real property entitled to exemption under the provisions of subsection (a), above;
- (2) of a kind commonly employed in the performance of those activities naturally and properly incident to the operation of an educational institution such as the owner; and
- (3) wholly and exclusively used for educational purposes by the owner or occupied gratuitously by another nonprofit educational institution (as defined herein) and wholly and exclusively used by the occupant for nonprofit educational purposes.

(c) Notwithstanding the exclusive use requirements of subsections (a) and (b), above, if part of a property that otherwise meets the requirements of one of those subsections is used for a purpose that would require exemption if the entire property were so used, the valuation of the part so used shall be exempted from taxation.

(d) The fact that a building or facility is incidentally available to and patronized by the general public, so long as there is no material amount of business or patronage with the general public, shall not defeat the exemption granted by this section.

(e) Personal property owned by a church, a religious body, or an educational institution (including a university, college, school, seminary, academy, industrial school, public library, museum, and similar institution) shall be exempted from taxation if:

- (1) the owner is not organized or operated for profit, and no officer, shareholder, member, or employee of the owner, or any other person is entitled to receive pecuniary profit from the owner's operations except reasonable compensation for services; and
- (2) used wholly and exclusively for educational purposes by the owner or held gratuitously by a church, religious body, or nonprofit educational institution (as defined herein) other than the owner, and wholly and exclusively used for nonprofit educational purposes by the possessor.

(f) An educational purpose within the meaning of this section is one that has as its objective the education or instruction of human beings; it comprehends the transmission of information and the training or development of the knowledge or skills of individual persons.

"§ 105-278.4. Real and personal property of religious educational assemblies used for religious and educational purposes. — (a) Buildings, the land they actually occupy, and additional adjacent land reasonably necessary for the convenient use of any such building or for the religious educational programs of the owner, shall be exempted from taxation if:

- (1) owned by a religious educational assembly, retreat, or similar organization;
- (2) no officer, shareholder, member, or employee of the owner, or any other person is entitled to receive pecuniary profit from the owner's operations except reasonable compensation for services; and
- (3) of a kind commonly employed in those activities naturally and properly incident to the operation of a religious educational assembly such as the owner; and
- (4) wholly and exclusively used for a. religious worship or b. purposes of instruction in religious education.

(b) Notwithstanding the exclusive use requirement of subsection (a), above, if part of a property that otherwise meets the subsection's requirements is used for a purpose that would require exemption if the entire property were so used, the valuation of the part so used shall be exempted from taxation.

(c) The fact that a building or facility is incidentally available to and patronized by the general public, so long as there is no material amount of business or patronage with the general public, shall not defeat the exemption granted by this section.

(d) Personal property owned by a religious educational assembly, retreat, or similar organization shall be exempted from taxation if it is exclusively maintained and used in connection with real property granted exemption under the provisions of subsection (a) or (b), above.

"§ 105-278.5. Real and personal property used for charitable purposes. — (a) Real and personal property owned by:

- (1) a Young Men's Christian Association or similar organization;
- (2) a home for the aged, sick, or infirm;
- (3) an orphanage or similar home;
- (4) a Society for the Prevention of Cruelty to Animals;
- (5) a reformatory or correctional institution; or
- (6) a monastery, convent, or nunnery;
- (7) a nonprofit, life-saving, first aid, or rescue squad organization;

shall be exempted from taxation if:

- (1) as to real property, it is actually and exclusively occupied and used, and as to personal property, it is entirely and completely used, by the owner for charitable purposes; and
- (2) the owner is not organized or operated for profit.

(b) A charitable purpose within the meaning of this section is one that has humane and philanthropic objectives; it is an activity that benefits humanity or a significant rather than limited segment of the community without expectation of pecuniary profit or reward. The humane treatment of animals is also a charitable purpose.

(c) The fact that a building or facility is incidentally available to and patronized by the general public, so long as there is no material amount of business or patronage with the general public, shall not defeat the exemption granted by this section.

(d) Notwithstanding the exclusive use requirements of this section, if part of a property that otherwise meets the section's requirements is used for a purpose that would require exemption under subsection (a), above, if the entire property were so used, the valuation of the part so used shall be exempted from taxation.

"§ 105-278.6. Real and personal property used for educational, scientific, literary, or charitable purposes — (a) Buildings, the land they actually occupy, and additional adjacent land necessary for the convenient use of any such building shall be exempted from taxation if wholly owned by an agency listed in subsection (c), below, and if:

- (1) wholly and exclusively used by its owner for nonprofit educational, scientific, literary, or charitable purposes as defined in subsection (e), below; or
 - (2) occupied gratuitously by an agency listed in subsection (c), below, other than the owner, and wholly and exclusively used by the occupant for nonprofit educational, scientific, literary, or charitable purposes.
- (b) Personal property shall be exempted from taxation if wholly owned by an agency listed in subsection (c), below, and if:
- (1) wholly and exclusively used by its owner for nonprofit educational, scientific, literary, or charitable purposes; or
 - (2) gratuitously made available to an agency listed in subsection (c), below, other than the owner, and wholly and exclusively used by the possessor for nonprofit educational, scientific, literary, or charitable purposes.
- (c) The following agencies, when the other requirements of this section are met, may obtain property tax exemption under this section:
- (1) a charitable association or institution,
 - (2) an historical association or institution,
 - (3) a veterans' organization or association,
 - (4) a scientific association or institution,
 - (5) a literary association or institution,
 - (6) a benevolent association or institution, or
 - (7) a nonprofit community or neighborhood organization.
- (d) Notwithstanding the exclusive use requirements of subsection (a), above, if part of a property that otherwise meets the subsection's requirements is used for a purpose that would require exemption if the entire property were so used, the valuation of the part so used shall be exempted from taxation.
- (e) The fact that a building or facility is incidentally available to and patronized by the general public, so long as there is no material amount of business or patronage with the general public, shall not defeat the exemption granted by this section.
- (f) Within the meaning of this section:
- (1) An educational purpose is one that has as its objective the education or instruction of human beings; it comprehends the transmission of information and the training or development of the knowledge or skills of individual persons.
 - (2) A scientific purpose is one that yields knowledge systematically through research, experimentation, or other work done in one or more of the natural sciences.
 - (3) A literary purpose is one that pertains to letters or literature (including drama), especially writing, publishing, and the study of literature.
 - (4) A charitable purpose is one that has humane and philanthropic objectives; it is an activity that benefits humanity or a significant rather than limited segment of the community without expectation of pecuniary profit or reward. The humane treatment of animals is also a charitable purpose.

"§ 105-278.7. Real and personal property used for charitable hospital purposes. — (a) Real and personal property held for or owned by a hospital organized and operated as a nonstock, nonprofit, charitable institution (without profit to members or their successors) shall be exempted from taxation if actually and exclusively used for charitable hospital purposes.

(b) Notwithstanding the exclusive use requirements of subsection (a), above, if part of a property that otherwise meets that subsection's requirements is used for a purpose that would require exemption under that subsection if the entire property were so used, the valuation of the part so used shall be exempted from taxation.

(c) Within the meaning of this section, a charitable hospital purpose is a hospital purpose that has humane and philanthropic objectives; it is a hospital activity that benefits humanity or a significant rather than limited segment of the community without expectation of pecuniary profit or reward. However, the fact that a qualifying hospital charges patients who are able to pay for services rendered does not defeat the exemption granted by this section.

"§ 105-278.8. General exemption for individually owned personal property. — When tangible personal property is listed for taxation by an individual person whose duty it is to list it, the total appraised valuation of that property shall be reduced by the sum of three hundred dollars (\$300.00) before it is assessed and taxed."

Sec. 5. Subdivision (a)(1) of G.S. 105-317, as it appears in 1972 Replacement Volume 2D of the General Statutes of North Carolina, is rewritten to read as follows:

"(1) In determining the true value of land, to consider as to each tract, parcel, or lot separately listed at least its advantages and disadvantages as to location; zoning; quality of soil; water power; water privileges; mineral, quarry, or other valuable deposits; fertility; adaptability for agricultural, timber producing, commercial, industrial, or other uses; past income; probable future income; and any other factors that may affect its value except growing crops of a seasonal or annual nature."

Sec. 6. G.S. 131-110 is rewritten to read as follows:

"§ 131-110. Tax exemptions. — The authority shall be exempt from the payment of any taxes or fees to the State or any subdivision thereof, or to any officer or employee of the State or any subdivision thereof. The property of an authority used for public purposes shall be exempt from all local and municipal taxes and for the purposes of such tax exemption, it is hereby declared as a matter of legislative determination that an authority is and shall be deemed to be a municipal corporation. Bonds, notes, debentures and other evidences of indebtedness of an authority are declared to be issued for a public purpose and to be public instrumentalities and, together with interest thereon, shall be exempt from taxes when same are held by the federal government or by any purchaser from the federal government or anyone acquiring title from or through such purchaser."

Sec. 7. G.S. 157-26 is rewritten to read as follows:

"§ 157-26. Tax exemptions. — The authority shall be exempt from the payment of any taxes or fees to the State or any subdivision thereof, or to any officer or employee of the State or any subdivision thereof. The property of an authority used for public purposes shall be exempt from all local and municipal taxes and for the purposes of such tax exemption, it is hereby declared as a matter of legislative determination that an authority is and shall be deemed to be a municipal corporation. Bonds, notes, debentures and other evidences of indebtedness of an authority heretofore or hereafter issued are declared to be issued for a public purpose and to be public instrumentalities and, together with the interest thereon, shall be exempt from taxes,"

Sec. 8. G.S. 105-282 is rewritten to read as follows:

"§ 105-282. Requests for tax relief; burden of proof; records of property given relief — (a) An owner of property who seeks to obtain tax relief for his property (through exemption or classification) under the laws of this State has the burden of establishing that the property is entitled thereto. In 1974, and each year thereafter, during the regular listing period, the owner seeking such relief shall file a request therefor with the tax supervisor of the county in which the property, real or personal, would be subject to taxation if taxable. If the property is situated within a city or town and the owner desires relief from municipal taxation, he shall also file a request for tax relief with the person responsible for municipal tax listing. Each such request shall be submitted on a form that has been approved by the Department of Revenue, and such forms shall be made available to owners by the tax supervisor or appropriate municipal tax official. If such a request is denied by a county, the tax supervisor shall notify the owner of this decision in time for him to appeal to the county board of equalization and review and to the

Property Tax Commission as provided in G.S. 105-322 and G.S. 105-324. If such a request is denied by a city or town, the person responsible for preparing the municipal tax lists shall notify the owner of this decision in time for him to appeal to the governing body of the city or town and to the Property Tax Commission in accordance with the provisions of G.S. 105-326 or G.S. 105-328. Requests that are approved by a county shall be filed in the office of the county tax supervisor, and requests that are approved by a municipality shall be filed in the office designated by the unit's governing body. The United States, this State, and units of local government in this State are exempted from the requirement of this section that owners make formal request for tax relief. However, this exemption shall not be construed as relieving the State and local units of government from the duty of listing for taxation property that is not used for public purposes.

(b) Failure to Request Tax Relief; Procedures. If in any year an owner fails to submit a request for tax relief for his property as provided in subsection (a) above, and also fails to list the property for taxation, the county tax supervisor (and, if the property is situated within a city or town, the person responsible for municipal tax listing) shall treat the property as other unlisted property and proceed as provided in G.S. 105-312. If, upon appeal to the board of equalization and review or board of county commissioners as provided in that section, it is determined that the property is entitled to tax relief, the owner shall be permitted to submit his request for tax relief at that time. The provisions of G.S. 105-312 shall govern the rights, duties, and procedures applicable to the taxpayer, responsible officials, and affected units of local government. The owner's failure to request tax immunity in any year shall not affect his right to proceed under the provisions of subsection (a) above, to obtain tax relief for a subsequent year.

(c) Roster. The county tax supervisor shall prepare and maintain a roster of all property in the county that is granted tax relief through classification or exemption. As to affected real and personal property, the roster shall set forth:

- (1) The name of the owner of the property.
- (2) A brief description of the property.
- (3) A statement of the use to which the property is put.
- (4) A statement of the value of the property.

The person responsible for preparing the tax lists of a city or town shall prepare and maintain a similar roster of all property in the municipality that is granted tax relief through classification or exemption.

(d) Report. The person required to prepare and maintain any roster prescribed by subsection (c), above, for the year 1974, shall, on or before November 1, 1974, send a duplicate copy thereof to the Department of Revenue and file the original in his office. In subsequent years, on or before November 1, the responsible official shall forward to the Department of Revenue a report of all changes made in the roster first submitted under this subsection."

Sec. 9. The fifth sentence of G.S. 55A-16, as it appears in lines 18 and 19 of the section in 1965 Replacement Volume 2B of the General Statutes of North Carolina, and which reads as follows, is repealed: "All property owned by it and appropriated exclusively for public parks and drives shall not be subject to taxation."

Sec. 10. The following portions of the General Statutes of North Carolina are repealed: G.S. 63-51.1, G.S. 63-52, G.S. 105-281, and paragraph g. of subdivision (b)(2) of G.S. 105-287.

Sec. 11. G.S. 105-283 is rewritten to read as follows:

"§ 105-283. **Uniform appraisal standards.** — All property, real and personal, shall as far as practicable be appraised or valued at its true value in money. When used in this Subchapter, the words 'true value' shall be interpreted as meaning market value, that is, the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller, neither being under any compulsion to buy or to sell and both

having reasonable knowledge of all the uses to which the property is adapted and for which it is capable of being used."

Sec. 12. G.S. 105-284 is rewritten to read as follows:

"§ **105-284. Uniform assessment standard.** — All property, real and personal, shall be assessed for taxation at the valuation established under G.S. 105-283, and taxes levied by all counties and municipalities shall be levied uniformly on assessments determined as provided in this section."

Sec. 13. Subsection (a) of G.S. 105-328 is rewritten to read as follows:

"(a) For purposes of municipal taxation, all property subject to taxation by a city or town situated in two or 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 opinion of the governing body, the same appraisal and assessment standards will thereby apply uniformly throughout the municipality. However, if, in such a case, the governing body shall determine that adoption of the appraisals and assessments fixed by the counties will not result in uniform appraisals and assessments throughout the 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. Taxes levied by the city or town shall be levied uniformly on the assessments so determined."

Sec. 14. Subdivision (3) of G.S. 105-273 is rewritten to read as follows:

"(3) 'Assessment' means both the tax value of property and the process by which the assessment is determined."

Sec. 15. Subdivision (4) of G.S. 105-273 is repealed and the remaining subdivisions of that section are renumbered accordingly.

Sec. 16. Subdivision (2) of G.S. 105-115 is rewritten to read as follows:

"(2) The value upon which the tax herein levied shall be assessed by the Secretary of Revenue and the measure of the extent to which every such railroad company is carrying on intrastate commerce within the State of North Carolina shall be fifty-five percent (55%) of the appraised value of the total property, tangible and intangible, in this State, for each such railroad company, as determined for ad valorem taxation during the calendar year in which such report is due."

Sec. 17. Subsection (d) of G.S. 105-122 is rewritten to read as follows:

"(d) After determining the proportion of its total capital stock, surplus and undivided profits as set out in subsection (c) of this section, which amount so determined shall in no case be less than fifty-five percent (55%) of the appraised value as determined for ad valorem taxation of all the real and tangible personal property in this State of each such corporation plus the total appraised value of intangible property returned for taxation of intangible personal property as herein specified nor less than its total actual investment in tangible property in this State, every corporation taxed under this section shall annually pay to the Secretary of Revenue, at the time the report and statement are due, a franchise or privilege tax, which is hereby levied at the rate of one dollar and fifty cents (\$1.50) per one thousand dollars (\$1,000) of the total amount of capital stock, surplus and undivided profits as herein provided. The tax imposed in this section shall in no case be less than ten dollars (\$10.00) and shall be for the privilege of carrying on, doing business, and/or the continuance of articles of incorporation or domestication of each such corporation in this State: Provided, that the basis for the franchise tax on all corporations, eighty percent (80%) of whose outstanding capital stock is owned by persons or corporations to whom or to which such stock was issued prior to January 1, 1935, in part payment or settlement of their respective deposits in any closed bank of the State of North Carolina, shall be one half the appraised value as determined for ad valorem taxation of the real and tangible personal property of such corporation in this State for the calendar year next preceding the date on which report and statement is due under the provisions of this section."

Appraised value of tangible property including real estate shall be the ad valorem valuation for the calendar year next preceding the due date of the franchise tax return. Appraised value of intangible property, except for bank deposits subject to tax under the provisions of G.S. 105-199, shall be the total gross valuation required to be reported for intangible tax purposes on April 15 coincident with or next preceding the due date of the franchise tax return. Appraised value of bank deposits subject to tax under the provisions of G.S. 105-199 shall be the average balance determined under such section for the calendar year next preceding the due date of the franchise tax return. The term 'total actual investment in tangible property' as used in this section shall be construed to mean the total original purchase price or consideration to the reporting taxpayer of its tangible properties, including real estate, in this State plus additions and improvements thereto less reserve for depreciation as permitted for income tax purposes, and also less any indebtedness incurred and existing by virtue of the purchase of any real estate and any permanent improvements made thereon. In computing 'total actual investment in tangible personal property' there shall also be deducted reserves for the entire cost of any air cleaning device or sewage or waste treatment plant, including waste lagoons, and pollution abatement equipment purchased or constructed and installed which reduces the amount of air or water pollution resulting from the emission of air contaminants or the discharge of sewage and industrial wastes or other polluting materials or substances into the outdoor atmosphere or into streams, lakes, or rivers, upon condition that the corporation claiming such deduction shall furnish to the Secretary a certificate from the Board of Water and Air Resources certifying that said Board has found as a fact that the air cleaning device, waste treatment plant or pollution abatement equipment purchased or constructed and installed as above described has actually been constructed and installed and that such device, plant or equipment complies with the requirements of said Board with respect to such devices, plants or equipment, that such device, plant or equipment is being effectively operated in accordance with the terms and conditions set forth in the permit, certificate of approval, or other document of approval issued by the Board of Water and Air Resources and that the primary purpose thereof is to reduce air or water pollution resulting from the emission of air contaminants or the discharge of sewage and waste and not merely incidental to other purposes and functions. The cost of constructing facilities of any private or public utility built for the purpose of providing sewer service to residential and outlying areas shall be treated as deductible for the purposes of this section; the deductible liability allowed by this section shall apply only with respect to such pollution abatement plants or equipment constructed or installed on or after January 1, 1955.

In determining the total tax payable by any corporation under this section, there shall be allowed as credit on such tax the amount of intangible tax paid on bank deposits under the provisions of G.S. 105-199 to the extent that such deposits have been concurrently included in the alternative appraised value tax base pursuant to the provisions of this subsection except that the minimum tax herein provided shall not be less than ten dollars (\$10.00). In determining the total tax payable by any corporation under G.S. 105-115 there shall be allowed as credit on such tax the amount of intangible tax paid during the preceding franchise tax year on bank deposits under the provisions of G.S. 105-199."

Sec. 18. The last sentence of G.S. 105-339 is rewritten to read as follows:

"Each local taxing unit receiving such certified valuations shall assess them at the figures certified and shall tax the assessed valuations at the rate of tax levied against other property subject to taxation therein."

Sec. 19. Subsection (c) of G.S. 105-340 is rewritten to read as follows:

"(c) Each local taxing unit receiving certified valuations in accordance with this section shall assess them at the figures certified and shall tax the assessed valuations at the rate of tax levied against other property subject to taxation therein."

Sec. 20. The last sentence of G.S. 105-341 is rewritten to read as follows:

"Each local taxing unit receiving such certified valuations shall assess them at the figures certified and shall tax the assessed valuations at the rate of tax levied against other property subject to taxation therein."

Sec. 20.1. This act shall not repeal Chapter 290 (Senate Bill 685) or Chapter 484 (Senate Bill 705) of the Session Laws of 1973.

Sec. 21. Section 16 of this act shall be effective for taxable years beginning on and after January 1, 1973. Section 17 of this act shall be effective for taxable years beginning on and after November 1, 1972. All other sections of this act shall become effective on January 1, 1974.

In the General Assembly read three times and ratified, this the 23rd day of May, 1973.