

NORTH CAROLINA GENERAL ASSEMBLY  
1981 SESSION

CHAPTER 943  
HOUSE BILL 258

AN ACT CREATING A COMMITTEE FOR A COMPREHENSIVE STUDY OF THE PROPERTY TAX SYSTEM IN NORTH CAROLINA.

Whereas, the property tax continues to provide a significant source of revenue to local governments in North Carolina; and

Whereas, sound and responsible government depends heavily on the proper administration and collection of taxes from existing tax revenue sources; and

Whereas, problems remain with the efficient administration and collection of property taxes, especially with collection of taxes on motor vehicles, household furnishings and personal effects, and administration of exemptions for the elderly and disabled; and

Whereas, G.S. 105-286 requires revaluation of the real property in each county at least once every eight years, resulting in many inequities among taxpayers that are magnified in periods of high inflation and can be remedied only through more frequent adjustment of appraised values; and

Whereas, current methods of conducting revaluations are expensive, thereby prohibiting more frequent revaluations; and

Whereas, a thorough study of all features of the property tax system is warranted in order to promote the fairest and most equitable property tax structure possible for all citizens of the State; and

Whereas, this study should provide a comprehensive approach to evaluating all aspects of the property tax base, including a review of the public policy justifications for all existing and proposed exemptions and preferential classifications; Now, therefore,

The General Assembly of North Carolina enacts:

**Section 1.** There is established a Property Tax System Study Committee. The Committee shall consist of 15 members. The President Pro Tempore shall appoint five members of the Senate, and the Speaker of the House shall appoint five members of the House of Representatives to serve on the Committee. The Governor shall appoint five citizens to serve on the Committee, one of whom is a county commissioner and one of whom is an elected official of a city or town. All appointments shall be made in time for the Committee to begin its work by September 15, 1981. The Speaker and President Pro Tempore of the Senate shall jointly call the first meeting to be held on a date no later than September 15, 1981.

**Sec. 2.** Upon its appointment, the Committee shall meet and elect from its membership a chairman and vice-chairman. Original members appointed to the Committee shall serve until the Committee makes its final report. Vacancies on the Committee shall be filled in the same manner as the original appointments were made.

**Sec. 3.** The Committee shall make a detailed and comprehensive study of the efficiency, effectiveness and fairness of the property tax system in North Carolina. The Committee shall examine all classes of property that comprise the property tax base, all exemptions, exclusions and preferential classifications, and the valuation of public utility property to determine whether the property tax system is fair and equitable in taxing the citizens of the State. The Committee shall review current procedures for listing and collecting

taxes on personal and real property to determine how to increase the efficiency and equity of these procedures. The Committee shall examine the octennial revaluation system and evaluate the feasibility of any programs that would aid the counties in conducting more frequent revaluations.

**Sec. 4.** On or before February 1, 1983, the Committee shall submit a final written report of its recommendations to the General Assembly by filing the report with the Speaker of the House and President Pro Tempore of the Senate. If legislation is recommended, the Committee shall submit appropriate bills with its report. The Committee, in its discretion, may submit an interim report to the 1982 Session of the 1981 General Assembly. The Committee shall terminate upon filing its final report.

**Sec. 5.** The Committee shall consult with tax officials in State and local government and may employ necessary professional and clerical assistance. The Committee is authorized to obtain assistance from the Department of Revenue and the Fiscal Research Division of the Legislative Services Commission.

**Sec. 6.** The Committee shall meet in the State Legislative Building.

**Sec. 7.** Members of the Committee shall be paid subsistence and travel allowances as follows:

- (1) Committee members who are also General Assembly members – at the rate established in G.S. 120-3.1;
- (2) Committee members who are also officials or employees of the State – at the rate established in G.S. 138-6;
- (3) All other Committee members – at the rate established in G.S. 138-5.

**Sec. 8.** The expenses of the Committee shall be paid from funds collected by the Department of Revenue under Article 7, Chapter 105 of the General Statutes. The funds so expended shall be deducted as in G.S. 105-213(a) for the costs of administering the intangibles tax. Committee expenses shall be limited to a maximum of seventy-five thousand dollars (\$75,000).

**Sec. 9.** This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 10th day of July, 1981.