

GENERAL ASSEMBLY OF NORTH CAROLINA
1983 SESSION

CHAPTER 838
HOUSE BILL 1050

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

The General Assembly of North Carolina enacts:

Section 1. There is established a Property Tax System Study Committee. The Committee shall consist of 16 members. The President Pro Tempore shall appoint eight members of the Senate, and the Speaker of the House shall appoint eight members of the House of Representatives to serve on the Committee. To aid the Committee in its study of the property tax, an Advisory Subcommittee shall be created to be composed of six members and to be appointed as follows: the Speaker of the House shall appoint three members, one of whom is a county commissioner, one a county tax official, and one a citizen representing the public-at-large; the President Pro Tempore of the Senate shall appoint three members, one of whom is a county commissioner, one an elected municipal official, and one a citizen representing the public-at-large. All appointments shall be made in time for the Committee to begin its work by September 15, 1983. 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, 1983.

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, 1985, 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 1984 Session of the 1983 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. As an aid to the Committee in its deliberations and to determine the current effectiveness and fairness of the property tax system in North Carolina, the Department of Revenue shall furnish to the Committee the results of a sales ratio study performed under the provisions of G.S. 105-289(h). The Department of Revenue shall conduct the sales ratio study during the period July 1, 1983 through July 1, 1984 to show the level and quality of assessment in the various counties as of January 1, 1984. The results of the sales ratio study shall be only for the use of the Committee in its study and shall not be admissible in any appeal process under the provisions of Chapter 105 of the General Statutes or in any court proceeding. It shall be the duty of the county tax supervisors to furnish such information to the Department of Revenue as the Department may require to conduct the sales ratio study.

Sec. 7. The Committee shall meet in the State Legislative Building or in the Legislative Office Building.

Sec. 8. Committee members shall be paid subsistence and travel allowances at the rate established for members of the General Assembly in G.S. 120-3.1. Advisory Committee members shall be paid subsistence and travel allowances at the rate established in G.S. 138-5.

Sec. 9. The expenses of the Committee, including any expenses incurred by the Department of Revenue in making the sales ratio study, 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. 10. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 20th day of July, 1983.