

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 7

Short Title: Local Option Homestead Increase.

(Public)

Sponsors: Senators Cooper; Perdue, Albertson, Soles, Speed, Warren, Edwards, Dannelly, Hoyle, Hobbs, Kerr, Martin of Guilford, Winner, Odom, Rand, Plexico, Gulley, Lucas, and Plyler.

Referred to: Judiciary I/Constitution.

January 26, 1995

A BILL TO BE ENTITLED

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

9 The General Assembly of North Carolina enacts:

10 Section 1. Section 2 of Article V of the North Carolina Constitution is
11 amended by adding a new subdivision to read:

12 "(8) Property Tax Homestead Exclusion. – If the General Assembly enacts
13 legislation classifying and excluding from ad valorem taxation part of the value of the
14 residence of each elderly or disabled individual whose income is below a maximum
15 amount and who satisfies other conditions, the General Assembly may, notwithstanding
16 subdivision (2) of this section, enact a general law uniformly applicable throughout the
17 State authorizing each county to increase the portion of a classified residence's value that

1 is excluded in that county and to increase the maximum income threshold to qualify for
2 the exclusion in that county."

3 Sec. 2. G.S. 105-277.1 is amended by adding a new subsection to read:

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

13 Sec. 3. G.S. 105-309(f) reads as rewritten:

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

20
21 **'PROPERTY TAX RELIEF FOR ELDERLY AND**
22 **PERMANENTLY DISABLED PERSONS.**
23

24 North Carolina excludes from property taxes the first fifteen thousand dollars
25 (\$15,000) in appraised value of a permanent residence owned and occupied by North
26 Carolina residents aged 65 or older or totally and permanently disabled whose income
27 does not exceed eleven thousand dollars (\$11,000). Income means the owner's adjusted
28 gross income as determined for federal income tax purposes, plus all moneys received
29 other than gifts or inheritances received from a spouse, lineal ancestor or lineal
30 descendant.

31 If you received this exclusion in (assessor insert previous year), you do not need to
32 apply again unless you have changed your permanent residence. If you received the
33 exclusion in (assessor insert previous year) and your income in (assessor insert previous
34 year) was above eleven thousand dollars (\$11,000), you must notify the assessor. If you
35 received the exclusion in (assessor insert previous year) because you were totally and
36 permanently disabled and you are no longer totally and permanently disabled, you must
37 notify the assessor. If the person receiving the exclusion in (assessor insert previous year)
38 has died, the person required by law to list the property must notify the assessor. Failure
39 to make any of the notices required by this paragraph before April 15 will result in
40 penalties and interest.

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

1 Sec. 4. G.S. 105-328 reads as rewritten:

2 **"§ 105-328. Listing, appraisal, and assessment of property subject to taxation by**
3 **cities and towns situated in more than one county.**

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

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

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

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

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

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

41 (4) The governing body shall, with respect to property subject to city or
42 town taxation, be vested with the powers and duties vested by this
43 Subchapter in boards of county commissioners and boards of

1 equalization and review. Appeals may be taken from the municipal
2 board of equalization and review or governing body to the Property Tax
3 Commission in the manner provided in this Subchapter for appeals from
4 county boards of equalization and review and boards of county
5 commissioners.

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

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

19 Sec. 5. The amendment set out in Section 1 of this act shall be submitted to the
20 qualified voters of the State at the general election in November 1996. The election shall
21 be conducted under the laws then governing elections in the State. Ballots, voting
22 systems, or both may be used in accordance with Chapter 163 of the General Statutes.
23 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 counties
26 to (1) increase the property tax exemption for a residence owned by a low-income elderly
27 or disabled person and (2) raise the definition of 'low-income' so more elderly and
28 disabled persons can qualify for the exemption."

29 Sec. 6. If a majority of the votes cast on the question are in favor of the
30 amendment set out in Section 1 of this act, the State Board of Elections shall certify the
31 amendment to the Secretary of State. Upon certification, the amendment becomes
32 effective for taxes imposed for taxable years beginning on or after July 1, 1997. The
33 Secretary of State shall enroll the amendment so certified among the permanent records
34 of that office.

35 Sec. 7. Sections 2, 3, and 4 of this act become effective only if the
36 constitutional amendment proposed by Section 1 of this act is approved as provided in
37 Sections 5 and 6 of this act. If the constitutional amendment is approved, Sections 2, 3,
38 and 4 of this act become effective for taxes imposed for taxable years beginning on or
39 after July 1, 1997.

40 Sec. 8. This act is effective upon ratification.