

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 1484

Short Title: Local Option Homestead Relief.

(Public)

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Sponsors: Senators Hoyle; Albertson, Carter, Cooper, Kerr, and Perdue.

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Referred to: Judiciary I.

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May 25, 2000

A BILL TO BE ENTITLED

1 AN ACT TO AMEND THE CONSTITUTION OF NORTH CAROLINA, IF  
2 APPROVED BY THE VOTERS IN THE 2000 GENERAL ELECTION, 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 DISABLED  
8 INDIVIDUALS CAN QUALIFY FOR THE EXEMPTION.  
9

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

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

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

12 Section 3. G.S. 105-309(f) reads as rewritten:

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

19  
20 **'PROPERTY TAX RELIEF FOR ELDERLY AND**  
21 **PERMANENTLY DISABLED PERSONS.**  
22

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

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

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

43 Section 4. G.S. 105-328 reads as rewritten:

1 **"§ 105-328. Listing, appraisal, and assessment of property subject to taxation by**  
2 **cities and towns situated in more than one county.**

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

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

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

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

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

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

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

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

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

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

18 Section 5. The catch line of G.S. 105-277.1 reads as rewritten:

19 "**§ 105-277.1. Property ~~classified for taxation at reduced valuation.~~ tax homestead**  
20 **exclusion.**"

21 Section 6. The amendment set out in Section 1 of this act shall be submitted to  
22 the qualified voters of the State at the statewide general election to be held in November  
23 2000. The election shall be conducted under the laws then governing elections in the  
24 State. Ballots, voting systems, or both may be used in accordance with Chapter 163 of the  
25 General Statutes. The question to be used in the voting systems and ballots shall be:

26 "[ ] FOR [ ] AGAINST

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

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

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