

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

S

2

SENATE BILL 1309
Finance Committee Substitute Adopted 7/30/07

Short Title: Fairness in PT Values/Lien on Mobile Home.

(Public)

Sponsors:

Referred to:

March 26, 2007

A BILL TO BE ENTITLED

AN ACT TO REDUCE THE DISCREPANCY BETWEEN THE PROPERTY TAX
VALUE OF PROPERTY AND ITS MARKET VALUE AND TO TREAT
MOBILE HOMES THE SAME AS OTHER HOMES WITH RESPECT TO
PROPERTY TAX LIENS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-286 reads as rewritten:

"§ 105-286. Time for general reappraisal of real property.

(a) ~~Octennial-Quadrennial~~ Plan. – Unless the date shall be ~~advanced~~ postponed as provided in subdivision (a)(2), below, each county of the State, as of January 1 of the year prescribed in the schedule set out in subdivision (a)(1), below, and every ~~eight~~ fourth year thereafter, shall reappraise all real property in accordance with the provisions of G.S. 105-283 and 105-317.

(1) Schedule of Initial Reappraisals. –

Division One – 1972: Avery, Camden, Cherokee, Cleveland, Cumberland, Guilford, Harnett, Haywood, Lee, Montgomery, Northampton, and Robeson.

Division Two – 1973: Caldwell, Carteret, Columbus, Currituck, Davidson, Gaston, Greene, Hyde, Lenoir, Madison, Orange, Pamlico, Pitt, Richmond, Swain, Transylvania, and Washington.

Division Three – 1974: Ashe, Buncombe, Chowan, Franklin, Henderson, Hoke, Jones, Pasquotank, Rowan, and Stokes.

Division Four – 1975: Alleghany, Bladen, Brunswick, Cabarrus, Catawba, Dare, Halifax, Macon, New Hanover, Surry, Tyrrell, and Yadkin.

Division Five – 1976: Bertie, Caswell, Forsyth, Iredell, Jackson, Lincoln, Onslow, Person, Perquimans, Rutherford, Union, Vance, Wake, Wilson, and Yancey.

1 Division Six – 1977: Alamance, Durham, Edgecombe, Gates,
2 Martin, Mitchell, Nash, Polk, Randolph, Stanly, Warren, and Wilkes.

3 Division Seven – 1978: Alexander, Anson, Beaufort, Clay, Craven,
4 Davie, Duplin, and Granville.

5 Division Eight – 1979: Burke, Chatham, Graham, Hertford,
6 Johnston, McDowell, Mecklenburg, Moore, Pender, Rockingham,
7 Sampson, Scotland, Watauga, and Wayne.

8 (2) ~~Advancing Scheduled Octennial Reappraisal.~~—Any county desiring to
9 ~~conduct a reappraisal of real property earlier than required by this~~
10 ~~subsection (a) may do so upon adoption by the board of county~~
11 ~~commissioners of a resolution so providing. A copy of any such~~
12 ~~resolution shall be forwarded promptly to the Department of Revenue.~~
13 ~~If the scheduled date for reappraisal for any county is advanced as~~
14 ~~provided herein, real property in that county shall thereafter be~~
15 ~~reappraised every eighth year following the advanced date unless, in~~
16 ~~accordance with the provisions of this subdivision (a)(2), an earlier~~
17 ~~date shall be adopted by resolution of the board of county~~
18 ~~commissioners, in which event a new schedule of octennial~~
19 ~~reappraisals shall thereby be established for that county.~~Postponing
20 Scheduled Quadrennial Reappraisal. – If, at the time for reappraisal of
21 real property as required by subsection (a), the sales assessment ratio
22 defined in G.S. 105-289(h) exceeds .90 for a county, that county may
23 postpone a reappraisal of real property upon adoption by the board of
24 county commissioners of a resolution until the time for the next
25 subsequent reappraisal of real property as required by subsection (a)
26 for that county. A county passing a resolution under this subsection
27 shall promptly submit a copy to the Department of Revenue.

28 (b) ~~Fourth Year Horizontal Adjustments.~~—As of January 1 of the fourth year
29 ~~following a reappraisal of real property conducted under the provisions of subsection~~
30 ~~(a), above, each county shall review the appraised values of all real property and~~
31 ~~determine whether changes should be made to bring those values into line with then~~
32 ~~current true value. If it is determined that the appraised value of all real property or of~~
33 ~~defined types or categories of real property require such adjustment, the assessor shall~~
34 ~~revise the values accordingly by horizontal adjustments rather than by actual appraisal~~
35 ~~of individual properties: That is, by uniform application of percentages of increase or~~
36 ~~reduction to the appraised values of properties within defined types or categories or~~
37 ~~within defined geographic areas of the county.~~

38 (c) Value to Be Assigned Real Property When Not Subject to Appraisal. – In
39 years in which real property within a county is not subject to reappraisal under
40 ~~subsections (a) or (b), subsection (a), above, or under G.S. 105-287, it shall be listed at~~
41 ~~the value assigned when last appraised under this section or under G.S. 105-287."~~

42 **SECTION 2.** G.S. 105-287 reads as rewritten:

43 **"§ 105-287. Changing appraised value of real property in years in which general**
44 **reappraisal or horizontal adjustment is not made.**

1 (a) In a year in which a general reappraisal ~~or horizontal adjustment~~ of real
2 property in the county is not made, the assessor shall increase or decrease the appraised
3 value of real property, as determined under G.S. 105-286, to recognize a change in the
4 property's value resulting from one or more of the reasons listed in this subsection. The
5 reason necessitating a change in the property's value need not be under the control of or
6 at the request of the owner of the affected property.

7 (1) Correct a clerical or mathematical error.

8 (2) Correct an appraisal error resulting from a misapplication of the
9 schedules, standards, and rules used in the county's most recent general
10 ~~reappraisal or horizontal adjustment~~ reappraisal.

11 (2a) Recognize an increase or decrease in the value of the property
12 resulting from a conservation or preservation agreement subject to
13 Article 4 of Chapter 121 of the General Statutes, the Conservation and
14 Historic Preservation Agreements Act.

15 (2b) Recognize an increase or decrease in the value of the property
16 resulting from a physical change to the land or to the improvements on
17 the land, other than a change listed in subsection (b) of this section.

18 (2c) Recognize an increase or decrease in the value of the property
19 resulting from a change in the legally permitted use of the property.

20 (3) Recognize an increase or decrease in the value of the property
21 resulting from a factor other than one listed in subsection (b).

22 (b) In a year in which a general reappraisal ~~or horizontal adjustment~~ of real
23 property in the county is not made, the assessor may not increase or decrease the
24 appraised value of real property, as determined under G.S. 105-286, to recognize a
25 change in value caused by:

26 (1) Normal, physical depreciation of improvements;

27 (2) Inflation, deflation, or other economic changes affecting the county in
28 general; or

29 (3) Betterments to the property made by:

30 a. Repainting buildings or other structures;

31 b. Terracing or other methods of soil conservation;

32 c. Landscape gardening;

33 d. Protecting forests against fire; or

34 e. Impounding water on marshland for non-commercial purposes
35 to preserve or enhance the natural habitat of wildlife.

36 (c) An increase or decrease in the appraised value of real property authorized by
37 this section shall be made in accordance with the schedules, standards, and rules used in
38 the county's most recent general ~~reappraisal or horizontal adjustment~~ reappraisal. An
39 increase or decrease in appraised value made under this section is effective as of
40 January 1 of the year in which it is made and is not retroactive. This section does not
41 modify or restrict the provisions of G.S. 105-312 concerning the appraisal of discovered
42 property.

43 (d) Notwithstanding subsection (a), if a tract of land has been subdivided into lots
44 and more than five acres of the tract remain unsold by the owner of the tract, the

1 assessor may appraise the unsold portion as land acreage rather than as lots. A tract is
2 considered subdivided into lots when the lots are located on streets laid out and open for
3 travel and the lots have been sold or offered for sale as lots since the last appraisal of the
4 property."

5 **SECTION 3.** G.S. 105-355 reads as rewritten:

6 "**§ 105-355. Creation of tax lien; date as of which lien attaches.**

7 (a) Lien on Real Property. – Regardless of the time at which liability for a tax for
8 a given fiscal year may arise or the exact amount thereof be determined, the lien for
9 taxes levied on a parcel of real property shall attach to the parcel taxed on the date as of
10 which property is to be listed under G.S. 105-285, and the lien for taxes levied on
11 personal property shall attach to all real property of the taxpayer in the taxing unit on
12 the same date. All penalties, interest, and costs allowed by law shall be added to the
13 amount of the lien and shall be regarded as attaching at the same time as the lien for the
14 principal amount of the taxes. For purposes of this subsection (a):

15 (1) Taxes levied on real property listed in the name of a life tenant under
16 G.S. 105-302 (c)(8) shall be a lien on the fee as well as the life estate.

17 (2) Taxes levied on improvements on or separate rights in real property
18 owned by one other than the owner of the land, whether or not listed
19 separately from the land under G.S. 105-302 (c)(11), shall be a lien on
20 both the improvements or rights and on the land.

21 (b) Lien on Mobile Home Listed as Personal Property. – The lien for taxes levied
22 on a mobile home listed as personal property shall attach to the mobile home and to all
23 real property of the taxpayer in the taxing unit on the date as of which property is to be
24 listed under G.S. 105-285.

25 ~~(b)(c)~~ Lien on Personal Property. – Taxes levied on real and personal property
26 (including penalties, interest, and costs allowed by law) shall be a lien on personal
27 property from and after levy or attachment and garnishment of the personal property
28 levied upon or attached."

29 **SECTION 4.** This act is effective for taxes imposed for taxable years
30 beginning on or after July 1, 2008. The reappraisal schedule in G.S. 105-286,
31 determined without regard to the amendment to that statute made by Section 1 of this
32 act, applies to a county until the county conducts its next general reappraisal. When a
33 county conducts its next general reappraisal, the schedule in G.S. 105-286, as amended
34 by Section 1 of this act, applies to that county.