

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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SENATE BILL 148

Short Title: deViere Disabled Veterans Act. (Public)

Sponsors: Senators Johnson, Lazzara, and Bode (Primary Sponsors).

Referred to: Rules and Operations of the Senate

February 23, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE PROPERTY TAX HOMESTEAD EXCLUSION AMOUNT
3 FOR DISABLED VETERANS, TO REIMBURSE LOCAL GOVERNMENTS FOR THEIR
4 RESULTING REVENUE LOSS, AND TO ALLOW DISABLED VETERANS TO
5 PREQUALIFY FOR THE DISABLED VETERAN PROPERTY TAX HOMESTEAD
6 EXCLUSION.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.(a)** Effective for taxes imposed for taxable years beginning on or after
9 July 1, 2024, G.S. 105-277.1C reads as rewritten:

10 "**§ 105-277.1C. Disabled veteran property tax homestead exclusion.**

11 (a) Classification. – A permanent residence owned and occupied by a qualifying owner
12 is designated a special class of property under Article V, Section 2(2) of the North Carolina
13 Constitution and is taxable in accordance with this section. ~~The first forty-five thousand dollars~~
14 ~~(\$45,000) of first one hundred thousand dollars (\$100,000) of~~ appraised value of the residence is
15 excluded from taxation. A qualifying owner who receives an exclusion under this section may
16 not receive other property tax relief.

17 (b) Definitions. – The following definitions apply in this section:

18 (1) Disabled veteran. – A veteran of any branch of the Armed Forces of the United
19 States whose character of service at separation was honorable or under
20 honorable conditions and who satisfies one of the following requirements:

21 a. As of January 1 preceding the taxable year for which the exclusion
22 allowed by this section is claimed, the veteran had received benefits
23 under 38 U.S.C. § 2101.

24 b. The veteran has received a certification by the United States
25 Department of Veterans Affairs or another federal agency indicating
26 that, as of January 1 preceding the taxable year for which the exclusion
27 allowed by this section is claimed, he or she has a service-connected,
28 permanent, and total disability.

29 c. The veteran is deceased and the United States Department of Veterans
30 Affairs or another federal agency has certified that, as of January 1
31 preceding the taxable year for which the exclusion allowed by this
32 section is claimed, the veteran's death was the result of a
33 service-connected condition.

34 (2) Repealed by Session Laws 2009-445, s. 22(c), effective for taxes imposed for
35 taxable years beginning on or after July 1, 2009.



- 1 (2a) Hold harmless amount. – The appraised value of a property excluded from
2 taxation under subsection (a) of this section, multiplied by the applicable local
3 tax rate.
- 4 (3) Permanent residence. – Defined in G.S. 105-277.1.
- 5 (4) Property tax relief. – Defined in G.S. 105-277.1.
- 6 (4a) Qualifying owner. – An owner, as defined in G.S. 105-277.1, who is a North
7 Carolina resident and one of the following:
- 8 a. A disabled veteran.
- 9 b. The surviving spouse of a disabled veteran who has not remarried.
- 10 (5), (6) Repealed by Session Laws 2009-445, s. 22(c), effective for taxes imposed for
11 taxable years beginning on or after July 1, 2009.
- 12 (7) Service-connected. – Defined in 38 U.S.C. § 101.
- 13 (8) Total hold harmless amount. – The sum of the following:
- 14 a. The hold harmless amount for all property excluded from taxation
15 under subsection (a) of this section in the county.
- 16 b. The hold harmless amount for all property excluded from taxation
17 under subsection (a) of this section in the cities located in the county.
- 18 ...
- 19 (f) Application. – An application for the exclusion allowed under this section should be
20 filed during the regular listing period, but may be filed and must be accepted at any time up to
21 and through June 1 preceding the tax year for which the exclusion is claimed. An applicant for
22 an exclusion under this section must establish eligibility for the exclusion by providing a copy of
23 the veteran's disability certification or evidence of benefits received under 38 U.S.C. § 2101. An
24 applicant who has prequalified pursuant to subsection (h) of this section may provide a copy of
25 the prequalification notice provided by the assessor under subsection (h) of this section to
26 establish eligibility for the exclusion provided in this section in lieu of a veteran's disability
27 certification or evidence of benefits received under 38 U.S.C. § 2101.
- 28 (g) Reimbursement. – On or before September 1 of each year, each county tax collector
29 shall notify the Secretary of Revenue, in a manner prescribed by the Secretary, of the county's
30 total hold harmless amount. A county that fails to notify the Secretary of Revenue of its total hold
31 harmless amount by the due date is barred from receiving a reimbursement under this subsection
32 for that taxable year. On or before December 31 of each year, the Secretary of Revenue shall
33 distribute to each county its respective total hold harmless amount.
- 34 Any funds received by a county that are attributable to a city within the county must be
35 distributed to that respective city. Any funds received by a county or city because the county or
36 city was collecting taxes for another unit of government or special district must be credited to the
37 funds of that other unit or district in accordance with regulations issued by the Local Government
38 Commission.
- 39 In order to pay for the reimbursement under this section and the cost to the Department of
40 Revenue of administering the reimbursement, the Secretary of Revenue shall draw from
41 collections received under Part 2 of Article 4 of this Chapter an amount equal to the
42 reimbursement and the cost of administration.
- 43 (h) Prequalification. – A disabled veteran may apply for prequalification of the property
44 tax relief provided by this section notwithstanding that the veteran is not an owner of a permanent
45 residence at the time that the veteran's application for prequalification is submitted. It is the intent
46 of the General Assembly to allow taxpayers and lenders to determine, in advance of the purchase
47 of a primary residence, the availability of the tax benefit provided by this section in order to
48 facilitate omitting exempted amounts from determinations of payment calculations. An
49 application for prequalification under this subsection may be filed at any time and must be
50 submitted on a form approved by the Department. Application forms under this subsection must
51 be made available by the assessor. Upon receipt of an application under this subsection, the

1 assessor of the county in which the application is filed must notify the applicant of the applicant's
2 qualification for eligibility for property tax relief under this section within 30 days. Upon
3 purchasing a permanent residence, an applicant who has received prequalification under this
4 subsection must apply for the property tax relief provided by this section as required under
5 subsection (f) of this section."

6 **SECTION 1.(b)** Effective for taxes imposed for taxable years beginning on or after
7 July 1, 2026, G.S. 105-277.1C(a), as rewritten by Section 1(a) of this act, reads as rewritten:

8 "(a) Classification. – A permanent residence owned and occupied by a qualifying owner
9 is designated a special class of property under Article V, Section 2(2) of the North Carolina
10 Constitution and is taxable in accordance with this section. The ~~first one hundred thousand dollars~~
11 ~~(\$100,000)~~ first one hundred fifty thousand dollars (\$150,000) of appraised value of the residence
12 is excluded from taxation. A qualifying owner who receives an exclusion under this section may
13 not receive other property tax relief."

14 **SECTION 1.(c)** Effective for taxes imposed for taxable years beginning on or after
15 July 1, 2028, G.S. 105-277.1C(a), as rewritten by Section 1(b) of this act, reads as rewritten:

16 "(a) Classification. – A permanent residence owned and occupied by a qualifying owner
17 is designated a special class of property under Article V, Section 2(2) of the North Carolina
18 Constitution and is taxable in accordance with this section. The ~~first one hundred fifty thousand~~
19 ~~dollars (\$150,000)~~ first two hundred thousand dollars (\$200,000) of appraised value of the
20 residence is excluded from taxation. A qualifying owner who receives an exclusion under this
21 section may not receive other property tax relief."

22 **SECTION 1.(d)** Except as otherwise provided, this section is effective when it
23 becomes law.

24 **SECTION 2.** Except as otherwise provided, this act is effective when it becomes
25 law.