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SENATE BILL DRS35150-BAf-5B

Short Title: Secure Home, Secure Future Act.

(Public)

Sponsors: Senators Theodros, Robinson, and Lowe (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED  
AN ACT TO CREATE THE SECURE HOME AND FUTURE PROPERTY TAX RELIEF  
BENEFIT.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 12 of Subchapter II of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-277.1E. Secure home and future property tax relief.**

(a) Classification. – A permanent residence owned and occupied by a qualifying owner is designated a special class of property under Article V, Section 2(2) of the North Carolina Constitution and is taxable in accordance with this section. An owner who receives relief under this section may not receive other property tax relief.

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

(1) Owner. – Defined in G.S. 105-277.1.

(2) Permanent residence. – Defined in G.S. 105-277.1.

(c) Qualifying Owner. – For the purpose of qualifying for the secure home and future property tax relief under this section, a qualifying owner is an owner who meets all of the following requirements as of January 1 preceding the taxable year for which the benefit is claimed:

(1) The owner has owned and occupied the property as a permanent residence for the previous 15 consecutive years.

(2) The owner is a North Carolina resident.

(d) Tax Limitation. – A qualifying owner may defer the portion of the principal amount of tax that is imposed for the current tax year on his or her permanent residence that exceeds the amount due under this subsection. The principal amount of tax due for the current tax year on a permanent residence of a qualifying owner may not exceed the greater of the following:

(1) The principal amount of tax due for the preceding tax year, increased by two percent (2%).

(2) The amount determined under subsection (e) of this section.

(e) Recalculation. – When the value of a property increases due to a physical change to the land or an improvement on the land, other than a change listed under G.S. 105-287(b), the principal amount of tax due on a permanent residence receiving relief under this section is the product of the appraised value of the permanent residence with the change or improvement as of January 1 in the year after the change or improvement occurs multiplied by the property tax rate in effect for the taxable year beginning July 1 of the year in which the property is reappraised. Upon the occurrence of an event triggering this subsection, the taxpayer shall notify the tax assessor of the change no later than the close of the listing period following the change. The



provisions of G.S. 105-312 shall apply for failing to notify the tax assessor as required under this subsection.

(f) Temporary Absence. – An otherwise qualifying owner does not lose the benefit of this section because of a temporary absence from his or her permanent residence for reasons of health, or because of an extended absence while confined to a rest home or nursing home, so long as the residence is unoccupied or occupied by the owner's spouse or other dependent.

(g) Deferred Taxes. – The difference between the taxes due under this section and the taxes that would have been payable in the absence of this section are a lien on the real property of the taxpayer as provided in G.S. 105-355(a). The difference in taxes must be carried forward in the records of each taxing unit as deferred taxes. The deferred taxes for the preceding three fiscal years are due and payable in accordance with G.S. 105-277.1F when the property loses its eligibility for deferral as a result of a disqualifying event described in subsection (h) of this section. On or before September 1 of each year, the collector must send to the mailing address of a residence on which taxes have been deferred a notice stating the amount of deferred taxes and interest that would be due and payable upon the occurrence of a disqualifying event.

(h) Disqualifying Events. – A property loses its eligibility for the benefit provided under this section as a result of a disqualifying event. The tax for the fiscal year that begins in the calendar year in which the disqualifying event occurs is computed as if the property had not been classified for that year for a benefit under this section. Each of the following constitutes a disqualifying event:

(1) The owner transfers the residence. Transfer of the residence is not a disqualifying event if (i) the owner transfers the residence to a co-owner of the residence or, as part of a divorce proceeding, to his or her spouse and (ii) that individual occupies or continues to occupy the property as his or her permanent residence.

(2) The owner dies. Death of the owner is not a disqualifying event if (i) the owner's share passes to a co-owner of the residence or to his or her spouse and (ii) that individual occupies or continues to occupy the property as his or her permanent residence.

(3) The owner ceases to use the property as a permanent residence.

(i) Multiple Owners. – A permanent residence owned and occupied by husband and wife is entitled to the full benefit of the secure home and future property tax relief notwithstanding that only one of them meets the length of occupancy and ownership requirements of this section. When a permanent residence is owned and occupied by two or more persons other than husband and wife, no relief is allowed unless all of the owners qualify.

(j) Application. – An application for property tax relief provided by this section should be filed during the regular listing period but may be filed and must be accepted at any time up to and through June 1 preceding the tax year for which the relief is claimed. Persons may apply for this property tax relief by entering the appropriate information on a form made available by the assessor under G.S. 105-282.1.

(k) Education. – The Local Government Division of the North Carolina Department of Revenue shall post information pertaining to the tax relief provided under this section electronically on its website, which shall include information on who qualifies and how a qualifying taxpayer may apply for tax relief. The Local Government Division of the North Carolina Department of Revenue, in conjunction with county tax assessors, shall also create an educational presentation to be used by county tax assessors at community workshops for the purpose of educating taxpayers on the relief provided under this section.

(l) Report. – The Local Government Division of the North Carolina Department of Revenue shall submit a report to the Revenue Laws Study Committee regarding the effectiveness of the tax relief provided under this section. The report shall contain, at a minimum, (i) property tax trends, (ii) the amount of taxpayers receiving the benefit provided in this section, (iii) the

amount of tax excluded under this section in the previous fiscal year, (iv) any recommendations to improve the tax relief provided under this section, and (v) any other information it deems appropriate. The initial report shall be submitted to the Revenue Laws Study Committee by March 1, 2028, and by that date annually thereafter.

(m) Review. – The Revenue Laws Study Committee shall review the effectiveness of the tax relief provided under this section at least every five years to determine whether adjustments are needed to better provide tax relief to taxpayers under this section."

**SECTION 2.** G.S. 105-277.1(b)(3a) reads as rewritten:

"(3a) Property tax relief. – The property tax homestead exclusion provided in this section, the property tax homestead circuit breaker provided in G.S. 105-277.1B, or the disabled veteran property tax homestead exclusion provided in ~~G.S. 105-277.1C~~. G.S. 105-277.1C, or the secure home and future property tax relief provided in G.S. 105-277.1E."

**SECTION 3.** G.S. 105-277.1F(a) reads as rewritten:

"(a) Scope. – This section applies to the following deferred tax programs:

- (1) G.S. 105-275(12), real property owned by a nonprofit corporation held as a protected natural area.
- (1a) G.S. 105-275(29a), historic district property held as future site of historic structure.
- (2) G.S. 105-277.1B, the property tax homestead circuit breaker.
- (2a) **(See note for repeal)** G.S. 105-277.1D, the inventory property tax deferral.
- (2b) G.S. 105-277.1E, secure home and future property tax relief.
- (3) G.S. 105-277.4(c), present-use value property.
- (4) G.S. 105-277.14, working waterfront property.
- (4a) G.S. 105-277.15, wildlife conservation land.
- (4b) G.S. 105-277.15A, site infrastructure land.
- (5) G.S. 105-278(b), historic property.
- (6) G.S. 105-278.6(e), nonprofit property held as future site of low- or moderate-income housing."

**SECTION 4.** G.S. 105-282.1(a)(2) reads as rewritten:

"(2) Single application required. – An owner of one or more of the following properties eligible for a property tax benefit must file an application for the benefit to receive it. Once the application has been approved, the owner does not need to file an application in subsequent years unless new or additional property is acquired or improvements are added or removed, necessitating a change in the valuation of the property, or there is a change in the use of the property or the qualifications or eligibility of the taxpayer necessitating a review of the benefit. The properties are as follows:

- a. Property exempted from taxation under G.S. 105-278.2(a), 105-278.3, 105-278.4, 105-278.5, 105-278.6, 105-278.7, or 105-278.8.
- b. Special classes of property excluded from taxation under G.S. 105-275(3), (7), (8), (12), (17), (18), (19), (20), (21), (31e), (35), (36), (38), (39), (41), (45), (46), (47), (48), or (49) or under G.S. 131A-21.
- c. Special classes of property classified for taxation at a reduced valuation under G.S. 105-277(h), 105-277.02, 105-277.1, 105-277.1C, 105-277.10, 105-277.13, 105-277.14, 105-277.15, 105-277.17, or 105-278.
- d. Property owned by a nonprofit homeowners' association but where the value of the property is included in the appraisals of property owned by members of the association under G.S. 105-277.8.

e. Repealed by Session Laws 2008-35, s. 1.2, effective for taxes imposed for taxable years beginning on or after July 1, 2008.

f. Special classes of property eligible for tax relief under G.S. 105-277.1E."

**SECTION 5.** G.S. 105-284 is amended by adding a new subsection to read:

"(e) Property that is subject to a tax assessment limitation under G.S. 105-277.1E."

**SECTION 6.** This act is effective for taxes imposed for taxable years on or after July 1, 2026.