

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE DRH80138-MCx-138 (3/6)

Short Title: Senior Prop 13 Property Tax Relief.

(Public)

Sponsors: Representatives Mobley and Samuelson (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO FREEZE THE APPRAISED VALUE OF THE PERMANENT RESIDENCE OF CERTAIN SENIORS AND TO AMEND THE CONSTITUTION TO PERMIT A LIMITATION ON THE INCREASE IN THE APPRAISED VALUE OF CERTAIN RESIDENCES.

The General Assembly of North Carolina enacts:

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

"(8) Notwithstanding subsections (2) and (5) of this section, the General Assembly may both enact general laws uniformly applicable throughout the State requiring that during a general reappraisal a county may not increase the growth in the assessed value of a permanent residence by more than an amount specified in the law and enact general laws uniformly applicable throughout the State requiring that during a general reappraisal a county may vary the increase of the growth in the assessed value of a permanent residence on the basis of whether the owner has occupied the property as a permanent residence for at least five years."

SECTION 2. The amendment set out in Section 1 of this act shall be submitted to the qualified voters of the State at a general election to be held on November 2, 2010. The qualified election shall be conducted under the laws then governing elections in the State. Ballots, voting systems, or both may be used in accordance with Chapter 163 of the General Statutes. The question to be used in the voting systems and ballots shall be:

FOR AGAINST

Constitutional amendment authorizing the General Assembly to limit the growth in the assessed value of a permanent residence owned and occupied by a qualifying owner."

SECTION 3. If the majority of the votes cast on the question are in favor of the amendment set out in Section 1 of this act, the State Board of Elections shall certify that amendment to the Secretary of State. The amendment becomes effective upon this certification. The Secretary of State shall enroll the amendment so certified among the permanent records of that office.

SECTION 4. G.S. 105-277.1(b)(3a) reads as rewritten:

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

...

(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



1 provided in ~~G.S. 105-277.1C~~G.S. 105-277.1C, or the senior homestead tax
2 relief provided in G.S. 105-277.1D.

3"

4 **SECTION 5.** G.S. 105-283 reads as rewritten:

5 **"§ 105-283. Uniform appraisal standards.**

6 ~~All~~Except as provided in G.S. 105-277.1D, all property, real and personal, shall as far as
7 practicable be appraised or valued at its true value in money. When used in this Subchapter, the
8 words "true value" shall be interpreted as meaning market value, that is, the price estimated in
9 terms of money at which the property would change hands between a willing and financially
10 able buyer and a willing seller, neither being under any compulsion to buy or to sell and both
11 having reasonable knowledge of all the uses to which the property is adapted and for which it is
12 capable of being used. For the purposes of this section, the acquisition of an interest in land by
13 an entity having the power of eminent domain with respect to the interest acquired shall not be
14 considered competent evidence of the true value in money of comparable land."

15 **SECTION 6.** Article 12 of Chapter 105 of the General Statutes is amended by
16 adding a new section to read:

17 **"§ 105-277.1D. Senior homestead tax relief.**

18 (a) Classification. – A permanent residence owned and occupied by a qualifying owner
19 is designated a special class of property under Article V, Section 2(2) of the North Carolina
20 Constitution and is taxable in accordance with this section.

21 (b) Definitions. – The definitions provided in G.S. 105-277.1 apply to this section.

22 (c) Qualifying Owner. – For the purpose of qualifying for the senior homestead tax
23 relief under this section, a qualifying owner is an owner who meets all of the following
24 requirements as of January 1 preceding the taxable year for which the benefit is claimed:

25 (1) The owner is at least 70 years of age.

26 (2) The owner has occupied the property as a permanent residence for at least
27 five years.

28 (3) The owner is a North Carolina resident.

29 (d) Limitation. – Except as provided in subsection (e) of this section, the appraised
30 value of the permanent residence of a qualifying owner shall not increase at the time of
31 subsequent general reappraisals conducted pursuant to G.S. 105-286 after July 1, 2010.

32 (e) Exceptions. – The county shall reappraise the permanent residence of a qualifying
33 owner at its true value in a year in which any of the following conditions are met:

34 (1) There is a physical change in the land or to improvements on the land other
35 than a change listed in G.S. 105-287(b). A residence reappraised at its true
36 value under this subdivision shall be subject to subsection (d) of this section
37 at the time of subsequent reappraisals conducted pursuant to G.S. 105-286.

38 (2) Except as provided in subsection (f) of this section, the qualifying owner no
39 longer occupies the residence as a permanent residence.

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

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

49 (h) Multiple Ownership. – When a permanent residence is owned and occupied by two
50 or more persons other than husband and wife, no property tax relief is allowed under this
51 section unless all of the owners qualify."

1 **SECTION 7.** G.S. 105-282.1(a)(2) reads as rewritten:

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

- 10 a. Property exempted from taxation under G.S. 105-278.3, 105-278.4,
11 105-278.5, 105-278.6, 105-278.7, or 105-278.8.
- 12 b. Special classes of property excluded from taxation under
13 G.S. 105-275(3), (7), (8), (12), (17), (18), (19), (20), (21), (31e), (35),
14 (36), (38), (39), or (41) or under G.S. 131A-21.
- 15 c. Special classes of property classified for taxation at a reduced
16 valuation under G.S. 105-277(h), 105-277.1, 105-277.1C,
17 105-277.10, 105-277.13, 105-278, or 105-277.15.
- 18 d. Property owned by a nonprofit homeowners' association but where
19 the value of the property is included in the appraisals of property
20 owned by members of the association under G.S. 105-277.8.
- 21 e. Repealed by Session Laws 2008-35, s. 1.2, effective for taxes
22 imposed for taxable years beginning on or after July 1, 2008.
- 23 f. Special classes of property eligible for tax relief under
24 G.S. 105-277.1D."

25 **SECTION 8.** G.S. 105-309(f) reads as rewritten:

26 "(f) The assessor must print a homestead tax relief notice on each abstract or on an
27 information sheet distributed with the abstract. The abstract or sheet must include the address
28 and telephone number of the assessor below the notice required by this section. The notice must
29 be in the form required by the Department of Revenue designed to notify the taxpayer of his or
30 her rights and responsibilities under the homestead property tax exclusion provided in
31 ~~G.S. 105-277.1~~ and G.S. 105-277.1, the property tax homestead circuit breaker provided in
32 ~~G.S. 105-277.1B~~; G.S. 105-277.1B, and the senior homestead tax relief provided in
33 G.S. 105-277.1D."

34 **SECTION 9.** Sections 4 through 8 of this act become effective only if the
35 constitutional amendment proposed by Section 1 of this act is approved as provided in Sections
36 2 and 3 of this act. If the constitutional amendment is approved, Sections 4 through 8 of this
37 act become effective for taxes imposed for taxable years beginning on or after July 1, 2010.
38 The remainder of this act is effective when it becomes law.