

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

H

1

HOUSE BILL 1586

Short Title: Community Land Trust Property Taxation. (Public)

Sponsors: Representatives Luebke and Hall (Primary Sponsors).

Referred to: Finance.

May 6, 2009

1 A BILL TO BE ENTITLED  
2 AN ACT TO MODIFY THE VALUATION OF COMMUNITY LAND TRUST PROPERTY.  
3 The General Assembly of North Carolina enacts:

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

6 "§ 105-277.17. Taxation of community land trust property.

7 (a) Classification. – Community land trust property is designated a special class of  
8 property under Article V, Section 2(2) of the North Carolina Constitution and must be  
9 appraised, assessed, and taxed in accordance with this section.

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

11 (1) Community land trust developer. – A nonprofit housing development entity  
12 that is an exempt organization under section 501(c)(3) of the Code and that  
13 conveys an interest in community land trust property to a qualifying owner.

14 (2) Community land trust property. – Improved real property that meets all of  
15 the following conditions:

16 a. The property is conveyed to a qualifying owner subject to resale  
17 restrictions contained in a deed of conveyance or in a long-term  
18 ground lease of not less than 30 years.

19 b. The community land trust developer retains an interest in the  
20 property pursuant to the deed of conveyance or the long-term ground  
21 lease of not less than 30 years.

22 (3) Ground lease. – A lease between the owner of a dwelling site, as landlord,  
23 and the owner of a permanent residence constructed on the dwelling site, as  
24 tenant. The leasehold interest of the tenant in the dwelling site includes an  
25 undivided interest and nonexclusive easement for ingress and egress to the  
26 dwelling site and for the use and enjoyment of the common areas and  
27 community facilities, if any. A ground lease includes a lease in which  
28 ownership of the permanent residence on the dwelling site may pass to the  
29 owner of the dwelling site at the end of the lease term for nominal or no  
30 additional consideration.

31 (4) Qualifying owner. – A North Carolina resident who owns and occupies  
32 community land trust property as a permanent residence and who is part of a  
33 household, the annual income of which at the time of purchase and adjusted  
34 for family size is not more than eighty percent (80%) of the local area  
35 median family income as defined by the most recent figures published by the  
36 U.S. Department of Housing and Urban Development.



1           (5)   Resale restrictions. – Binding restrictions that limit the price at which  
2                   community land trust property can be resold to a price that would be  
3                   affordable to another qualifying owner.

4           (c)   Valuation. – The assessor shall take resale restrictions that apply to community land  
5 trust property into consideration in determining the value of the property."

6           **SECTION 2.** This act is effective for taxable years beginning on or after July 1,  
7 2009.