

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE DRS75325-LY-185 (3/13)

Short Title: Low-Income Housing Property Tax. (Public)

Sponsors: Senator Graham.

Referred to:

A BILL TO BE ENTITLED

AN ACT RELATING TO PROPERTY TAX VALUATION OF LOW AND MODERATE INCOME HOUSING.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-283 reads as rewritten:

"§ 105-283. Uniform appraisal standards.

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

(b) Property that meets all of the conditions provided in this subsection is designated a special class of property pursuant to Section 2(2) of Article V of the North Carolina Constitution and shall be appraised as provided in this subsection. In the case of real property that meets all of the following conditions, the effect of rent restrictions and income restrictions on the true value of the property shall be taken into account for purposes of valuation under this Subchapter:

(1) The property is subject to restriction on the income eligibility of tenants to whom it is leased or on the rents that may be charged pursuant to any State or federal government program providing for tax incentives, grants, interest subsidies, or loans.

1 (2) The property is in compliance with the terms, covenants, and
2 conditions of such State or federal government program.

3 In addition, the value of the tax incentives, grants, interest subsidies, or loans
4 provided to the property or the owner of the property shall be ignored for purposes of
5 valuation under this Subchapter."

6 **SECTION 2.** G.S. 105-287(a) reads as rewritten:

7 "(a) In a year in which a general reappraisal or horizontal adjustment of real
8 property in the county is not made, the assessor shall increase or decrease the appraised
9 value of real property, as determined under G.S. 105-286, ~~to recognize a change in the~~
10 ~~property's value resulting from one or more of the reasons listed in this subsection. The~~
11 ~~reason necessitating a change in the property's value need not be under the control of or~~
12 ~~at the request of the owner of the affected property to accomplish any one or more of~~
13 the following:

14 (1) Correct a clerical or mathematical error.

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

18 (2a) Recognize an increase or decrease in the value of the property
19 resulting from a conservation or preservation agreement subject to
20 Article 4 of Chapter 121 of the General Statutes, the Conservation and
21 Historic Preservation Agreements Act.

22 (2b) ~~Recognize an increase or decrease in the value of the property~~
23 ~~resulting from a physical change to the land or to the improvements on~~
24 ~~the land, other than a change listed in subsection (b) of this~~
25 ~~section.~~Recognize a change in whether the property meets the
26 conditions of G.S. 105-283(b).

27 (2e) ~~Recognize an increase or decrease in the value of the property~~
28 ~~resulting from a change in the legally permitted use of the property.~~

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

31 **SECTION 3.** This act is effective for taxes imposed for taxable years
32 beginning on or after July 1, 2008.