

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 355

Short Title: Simplify Taxation of Certain HOA Property. (Public)

Sponsors: Representatives Justice and Jordan (Primary Sponsors).  
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Finance.

March 16, 2011

1 A BILL TO BE ENTITLED  
2 AN ACT TO SIMPLIFY THE COLLECTION OF PROPERTY TAXES THAT ARE DUE ON  
3 PROPERTY OWNED BY CERTAIN NONPROFIT HOMEOWNERS' ASSOCIATIONS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-277.8(a) is amended by adding a new subdivision to read:

6 "**§ 105-277.8. Taxation of property of nonprofit homeowners' association.**

7 (a) The value of real and personal property owned by a nonprofit homeowners'  
8 association shall be included in the appraisals of property owned by members of the association  
9 and shall not be assessed against the association ~~if~~if all the following requirements are met:

- 10 (1) All property owned by the association is held for the use, benefit, and  
11 enjoyment of all members of the association ~~equally~~equally.
- 12 (2) Each member of the association has an irrevocable right to use and enjoy, on  
13 an equal basis, all property owned by the association, subject to any  
14 restrictions imposed by the instruments conveying the right or the rules,  
15 regulations, or bylaws of the ~~association~~association.
- 16 (3) Each irrevocable right to use and enjoy all property owned by the association  
17 is appurtenant to taxable real property owned by a member of the  
18 association.
- 19 (4) All property owned by the association is contained entirely within the same  
20 taxing jurisdictions as is the taxable real property owned by the members of  
21 the association to which it is appurtenant.

22 The assessor may allocate the value of the association's property among the property of the  
23 association's members on any fair and reasonable basis."

24 **SECTION 2.** This act is effective for taxes imposed for taxable years beginning on  
25 or after July 1, 2011.

