

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**D**

**HOUSE DRH50580-MC-133 (3/29)**

Short Title: Senior Homestead Tax Relief.

(Public)

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Sponsors: Representative Mobley.

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Referred to:

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A BILL TO BE ENTITLED

1 AN ACT TO FREEZE THE APPRAISED VALUE OF THE PERMANENT  
2 RESIDENCE OF CERTAIN SENIORS AND TO AMEND THE CONSTITUTION  
3 TO PERMIT A LIMITATION ON THE INCREASE IN THE APPRAISED  
4 VALUE OF CERTAIN RESIDENCES.  
5

6 The General Assembly of North Carolina enacts:

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

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

17 **SECTION 2.** The amendment set out in Section 1 of this act shall be  
18 submitted to the qualified voters of the State at the general election to be held in  
19 November 2007. The qualified election shall be conducted under the laws then  
20 governing elections in the State. Ballots, voting systems, or both may be used in  
21 accordance with Chapter 163 of the General Statutes. The question to be used in the  
22 voting systems and ballots shall be:

23 "[ ]FOR [ ]AGAINST

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

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

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

7       "**§ 105-283. Uniform appraisal standards.**

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

18           **SECTION 5.** Article 12 of Chapter 105 of the General Statutes is amended  
19 by adding a new section to read:

20       "**§ 105-277.1B. Senior homestead tax relief.**

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

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

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

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

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

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

34       (d) Limitation. – Except as provided in subsection (e) of this section, the  
35 appraised value of the permanent residence of a qualifying owner shall not increase at  
36 the time of subsequent general reappraisals conducted pursuant to G.S. 105-286 after  
37 July 1, 2008.

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

41           (1) There is a physical change in the land or to improvements on the land  
42 other than a change listed in G.S. 105-287(b). A residence reappraised  
43 at its true value under this subdivision shall be subject to subsection

1           (d) of this section at the time of subsequent reappraisals conducted  
2           pursuant to G.S. 105-286.

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

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

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

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

18          **SECTION 6.** G.S. 150-282.1(a)(2) reads as rewritten:

19          "(2) Single application required. – An owner of one or more of the  
20          following properties eligible ~~to be exempted or excluded from~~  
21          ~~taxation~~ for a property tax benefit must file an application for  
22          ~~exemption or exclusion~~ the benefit to receive it. Once the application  
23          has been approved, the owner does not need to file an application in  
24          subsequent years unless new or additional property is acquired or  
25          improvements are added or removed, necessitating a change in the  
26          valuation of the property, or there is a change in the use of the property  
27          or the qualifications or eligibility of the taxpayer necessitating a  
28          review of the ~~exemption or exclusion~~ benefit.

29          a. Property exempted from taxation under G.S. 105-278.3,  
30          105-278.4, 105-278.5, 105-278.6, 105-278.7, or 105-278.8.

31          b. Special classes of property excluded from taxation under  
32          G.S. 105-275(3), (7), (8), (12), (17), (18), (19), (20), (21), (35),  
33          (36), (38), (39), or (41) or under G.S. 131A-21.

34          c. Special classes of property classified for taxation at a reduced  
35          valuation under G.S. 105-277(h), 105-277.1, 105-277.10,  
36          105-277.13, 105-278.

37          d. Property owned by a nonprofit homeowners' association but  
38          where the value of the property is included in the appraisals of  
39          property owned by members of the association under  
40          G.S. 105-277.8.

41          e. Special classes of property eligible for tax relief under  
42          G.S. 105-277.1B."

43          **SECTION 7.** G.S. 105-309(f) reads as rewritten:

1       "~~(f) The notice set out below must appear~~assessor must print a homestead tax  
2 relief notice on each abstract or on an information sheet distributed with the abstract.  
3 The abstract or sheet must include the address and telephone number of the assessor  
4 below the ~~notice~~notice required by this section. The notice must be in the form required  
5 by the Department of Revenue designed to notify the taxpayer of his or her rights and  
6 responsibilities under the homestead property tax exclusion provided in G.S. 105-277.1  
7 and the senior homestead tax relief provided in G.S. 105-277.1B.

8  
9                   ~~PROPERTY TAX HOMESTEAD EXCLUSION FOR ELDERLY OR~~  
10                   ~~PERMANENTLY DISABLED PERSONS.~~

11  
12       ~~North Carolina excludes from property taxes a portion of the appraised value of a~~  
13 ~~permanent residence owned and occupied by North Carolina residents aged 65 or older~~  
14 ~~or totally and permanently disabled whose income does not exceed (assessor insert~~  
15 ~~amount). The amount of the appraised value of the residence that may be excluded from~~  
16 ~~taxation is the greater of twenty thousand dollars (\$20,000) or fifty percent (50%) of the~~  
17 ~~appraised value of the residence. Income means the owner's adjusted gross income as~~  
18 ~~determined for federal income tax purposes, plus all moneys received other than gifts or~~  
19 ~~inheritances received from a spouse, lineal ancestor or lineal descendant.~~

20       ~~If you received this exclusion in (assessor insert previous year), you do not need to~~  
21 ~~apply again unless you have changed your permanent residence. If you received the~~  
22 ~~exclusion in (assessor insert previous year) and your income in (assessor insert previous~~  
23 ~~year) was above (assessor insert amount), you must notify the assessor. If you received~~  
24 ~~the exclusion in (assessor insert previous year) because you were totally and~~  
25 ~~permanently disabled and you are no longer totally and permanently disabled, you must~~  
26 ~~notify the assessor. If the person receiving the exclusion in (assessor insert previous~~  
27 ~~year) has died, the person required by law to list the property must notify the assessor.~~  
28 ~~Failure to make any of the notices required by this paragraph before June 1 will result in~~  
29 ~~penalties and interest.~~

30       ~~If you did not receive the exclusion in (assessor insert previous year) but are now~~  
31 ~~eligible, you may obtain a copy of an application from the assessor. It must be filed by~~  
32 ~~June 1."~~

33                   **SECTION 8.** Sections 2, 4, 5, and 6 of this act become effective only if the  
34 constitutional amendment proposed by Section 1 of this act is approved as provided in  
35 Sections 2 and 3 of this act. If the constitutional amendment is approved, Sections 4  
36 through 7 of this act become effective for taxes imposed for taxable years beginning on  
37 or after July 1, 2008. The remainder of this act is effective when it becomes law.