

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1999

SESSION LAW 1999-191
SENATE BILL 325

AN ACT TO MAKE CORRECTIONS AND CONFORMING CHANGES RELATING
TO TAXATION OF CONTINUING CARE RETIREMENT HOMES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-278.6A(c)(4) reads as rewritten:

"(c) Qualification. – A retirement facility qualifies for the benefits of this section if it meets all of the following conditions:

...

- (4) Its charter or ~~bylaws, as they existed on August 15, 1998,~~ bylaws provide that it is governed by a board of directors or trustees at least a majority of whose members are selected by one or more nonprofit corporations or associations that meet all of the following conditions:
- a. It is exempt under section ~~501(e)(3)~~ 501(c)(3), (8), or (10) of the Code.
 - b. It is organized for a charitable purpose as defined in G.S. 105-278.6.
 - c. It is not a private foundation as defined in section 509 of the Code."

Section 2. G.S. 105-275.2 is amended by adding a new subsection to read:

"(f) Additional Reduction. – Each year, on or before July 15, the governing body of each county and each municipality shall notify the Secretary of the amount of taxes it collected in the preceding fiscal year from taxes on qualified retirement facility property, as defined in G.S. 105-278.6A, discovered on or after January 1, 1998, for taxable years beginning on or after July 1, 1992. The Secretary shall reduce the amount allocated to each county and municipality for distribution the following August by one hundred ten percent (110%) of the amount the county or municipality reports pursuant to this subsection."

Section 3. The Legislative Research Commission shall conduct a comprehensive study of property tax exemptions for nonprofit institutions, including the history and evolution of such exemptions in North Carolina, the policy reasons for property tax exemptions, the effect of the exemptions on local governments and on other taxpayers, the extent to which other states provide property tax exemptions for nonprofit institutions, and any other issues it considers relevant. The Legislative

Research Commission shall make a final report of its findings and recommendations to the 2000 Regular Session of the 1999 General Assembly.

Section 4. Section 2 of this act is effective on and after July 1, 1998, and expires September 1, 2003. Section 3 of this act is effective when it becomes law. The remainder of this act is effective for taxes imposed for taxable years beginning on or after July 1, 1998. Notwithstanding G.S. 105-275.2(f), as enacted by this act, the report otherwise due under that subsection on July 15, 1998, is due on July 15, 1999.

In the General Assembly read three times and ratified this the 9th day of June, 1999.

s/ Dennis A. Wicker
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 10:10 p.m. this 18th day of June, 1999