

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

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**SENATE BILL 90**

Short Title: Local Option Homestead Relief.

(Public)

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Sponsors: Senators Hoyle; Albertson, Carpenter, Carter, Dalton, Dannelly, Forrester, Gulley, Hagan, Harris, Hartsell, Horton, Kinnaird, Martin of Pitt, Purcell, Rand, Robinson, Soles, Weinstein, and Wellons.

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Referred to: Finance.

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February 7, 2001

A BILL TO BE ENTITLED

1  
2 AN ACT TO AMEND THE NORTH CAROLINA CONSTITUTION, IF APPROVED  
3 BY THE VOTERS IN THE 2002 GENERAL ELECTION, TO AUTHORIZE THE  
4 GENERAL ASSEMBLY TO ENACT LEGISLATION ALLOWING EACH  
5 COUNTY TO (I) INCREASE THE AMOUNT OF THE PROPERTY TAX  
6 HOMESTEAD EXEMPTION FOR LOW-INCOME ELDERLY AND DISABLED  
7 INDIVIDUALS IN THAT COUNTY AND (II) RAISE THE DEFINITION OF  
8 "LOW-INCOME" SO THAT MORE ELDERLY AND DISABLED  
9 INDIVIDUALS CAN QUALIFY FOR THE EXEMPTION.

10 The General Assembly of North Carolina enacts:

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

13 "(8) Property tax homestead exclusion. If the General Assembly enacts legislation  
14 classifying and excluding from ad valorem taxation part of the value of the residence of  
15 each elderly or disabled individual whose income is below a maximum amount and who  
16 satisfies other conditions, the General Assembly may, notwithstanding subsection (2) of  
17 this section, enact a general law uniformly applicable throughout the State authorizing  
18 each county to increase the portion of a classified residence's value that is excluded in  
19 that county and to increase the maximum income threshold to qualify for the exclusion  
20 in that county."

21 **SECTION 2.** G.S. 105-277.1 is amended by adding a new subsection to read:

22 "(a1) Local Option Increase. – The board of commissioners of a county may, by  
23 resolution, increase the amount of the exclusion provided in subsection (a) of this  
24 section, increase the maximum income threshold provided in subdivision (a)(2) of this  
25 section, or both. An increase adopted under this subsection must apply uniformly within  
26 the county. The board of commissioners of a county may, by resolution, repeal or

1 reduce an increase adopted under this subsection, but may not reduce the exclusion or  
2 the income threshold provided in subsection (a) of this section. A resolution changing  
3 the exclusion amount or the income threshold within a county pursuant to this  
4 subsection must become effective no earlier than for the taxable year beginning July 1  
5 following adoption of the resolution."

6 **SECTION 3.** G.S. 105-309(f) reads as rewritten:

7 "(f) The following information shall appear on each abstract or on an information  
8 sheet distributed with the abstract. If the county has increased the exclusion amount or  
9 the income threshold pursuant to G.S. 105-277.1(a1), the assessor must substitute the  
10 applicable dollar amounts. The abstract or sheet must include the address and telephone  
11 number of the assessor below the notice required by this subsection. The notice shall  
12 read as follows:

13  
14 **'PROPERTY TAX RELIEF FOR ELDERLY ~~AND~~ OR**  
15 **PERMANENTLY DISABLED PERSONS.**  
16

17 North Carolina excludes from property taxes the first twenty thousand dollars  
18 (\$20,000) in appraised value of a permanent residence owned and occupied by North  
19 Carolina residents aged 65 or older or totally and permanently disabled whose income  
20 does not exceed fifteen thousand dollars (\$15,000). Income means the owner's adjusted  
21 gross income as determined for federal income tax purposes, plus all moneys received  
22 other than gifts or inheritances received from a spouse, lineal ancestor or lineal  
23 descendant.

24 If you received this exclusion in (assessor insert previous year), you do not need to  
25 apply again unless you have changed your permanent residence. If you received the  
26 exclusion in (assessor insert previous year) and your income in (assessor insert previous  
27 year) was above fifteen thousand dollars (\$15,000), you must notify the assessor. If you  
28 received the exclusion in (assessor insert previous year) because you were totally and  
29 permanently disabled and you are no longer totally and permanently disabled, you must  
30 notify the assessor. If the person receiving the exclusion in (assessor insert previous  
31 year) has died, the person required by law to list the property must notify the assessor.  
32 Failure to make any of the notices required by this paragraph before April 15 will result  
33 in penalties and interest.

34 If you did not receive the exclusion in (assessor insert previous year) but are now  
35 eligible, you may obtain a copy of an application from the assessor. It must be filed by  
36 April 15.' "

37 **SECTION 4.** G.S. 105-328 reads as rewritten:

38 **"§ 105-328. Listing, appraisal, and assessment of property subject to taxation by**  
39 **cities and towns situated in more than one county.**

40 (a) ~~For~~ Except as provided in subsection (a1) of this section, for purposes of  
41 municipal taxation, all property subject to taxation by a city or town situated in two or  
42 more counties may, by resolution of the governing body of the municipality, be listed,  
43 appraised, and assessed as provided in G.S. 105-326 and 105-327 if, in such a case, in  
44 the opinion of the governing body, the same appraisal and assessment standards will

1 thereby apply uniformly throughout the municipality. However, if, in such a case, the  
2 governing body ~~shall determine~~ determines that adoption of the appraisals and  
3 assessments fixed by the counties will not result in uniform appraisals and assessments  
4 throughout the municipality, the governing body may, by horizontal adjustments,  
5 equalize the appraisal and assessment values fixed by the counties in order to obtain the  
6 required uniformity. Taxes levied by the city or town shall be levied uniformly on the  
7 assessments so determined.

8 (a1) This section does not apply to assessments of property that differ, in any of  
9 the counties in which the city or town is located, because of a local option adjustment in  
10 the homestead exclusion under G.S. 105-277.1(a1).

11 (b) Should the governing body of a city or town situated in two or more counties  
12 not adopt the procedure provided in subsection ~~(a), above,~~ (a) of this section, all  
13 property subject to taxation by the municipality shall be listed, appraised, and assessed  
14 as provided in subdivisions (b)(1) through (b)(6), below.

15 (1) The governing body of the city or town shall appoint a municipal  
16 assessor on or before the first Monday in July in each odd-numbered  
17 year. The governing body may remove the municipal assessor from  
18 office during his term for good cause after giving him notice in writing  
19 and an opportunity to appear and be heard at a public session of the  
20 appointing body. Whenever a vacancy occurs in the office, the  
21 governing body shall appoint a qualified person to serve as municipal  
22 assessor for the period of the unexpired term. Persons holding the  
23 position of municipal assessor on July 1, 1971, shall be deemed  
24 qualified to fill the position. A person appointed as a municipal  
25 assessor shall meet the qualifications and requirements set for a county  
26 assessor under G.S. 105-294.

27 (2) With the approval of the governing body, a municipal assessor may  
28 employ testers, appraisers, and clerical assistants necessary to carry out  
29 the listing, appraisal, assessing, and billing functions required by law.

30 (3) A municipal assessor and the persons employed by him have the same  
31 powers and duties as their county equivalents with respect to property  
32 subject to taxation by a city or town.

33 (4) The governing body shall, with respect to property subject to city or  
34 town taxation, be vested with the powers and duties vested by this  
35 Subchapter in boards of county commissioners and boards of  
36 equalization and review. Appeals may be taken from the municipal  
37 board of equalization and review or governing body to the Property  
38 Tax Commission in the manner provided in this Subchapter for  
39 appeals from county boards of equalization and review and boards of  
40 county commissioners.

41 (5) All expenses incident to the listing, appraisal, and assessment of  
42 property for the purpose of city or town taxation shall be borne by the  
43 municipality for whose benefit the work is undertaken.

