

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

**SESSION LAW 2003-264  
SENATE BILL 511**

AN ACT TO REQUIRE LOCAL GOVERNMENTS TO PUBLISH THE  
REVENUE-NEUTRAL TAX RATE IN YEARS WHEN THERE IS A GENERAL  
REVALUATION OF REAL PROPERTY.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 159-11 is amended by adding a new subsection to read:

"(e) In each year in which a general reappraisal of real property has been conducted, the budget officer shall include in the budget, for comparison purposes, a statement of the revenue-neutral property tax rate for the budget. The revenue-neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred. To calculate the revenue-neutral tax rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. This growth factor represents the expected percentage increase in the value of the tax base due to improvements during the next fiscal year. The budget officer shall further adjust the rate to account for any annexation, deannexation, merger, or similar event."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19<sup>th</sup> day of June, 2003.

s/ Beverly E. Perdue  
President of the Senate

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

s/ Michael F. Easley  
Governor

Approved 12:53 p.m. this 26<sup>th</sup> day of June, 2003