

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE DRS55387-LYx-112 (2/22)

Short Title: Local Option Land Transfer Taxes. (Public)

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Sponsors: Senator Atwater (By Request).

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Referred to:

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1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE COUNTIES TO LEVY A LOCAL LAND TRANSFER  
3 TAX.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Chapter 105 of the General Statutes is amended by adding a  
6 new Subchapter to read:

7 **"SUBCHAPTER X. LOCAL OPTION COUNTY TAXES.**

8 "Article 60.

9 "Land Transfer Tax.

10 **"§ 105-600. Short title.**

11 This Article is the County Land Transfer Tax Act.

12 **"§ 105-601. Levy.**

13 (a) Authority. – If the majority of those voting in a referendum held pursuant to  
14 this Article vote for the levy of the tax, the board of county commissioners may, by  
15 resolution and after 10 days' public notice, levy a local land transfer tax on instruments  
16 conveying interests in real property located in the county, up to a rate of one percent  
17 (1%).

18 (b) Vote. – The board of county commissioners may direct the county board of  
19 elections to conduct an advisory referendum on the question of whether to levy a local  
20 land transfer tax in the county as provided in this Article. The election shall be held on a  
21 date jointly agreed upon by the board of county commissioners and the board of  
22 elections and shall be held in accordance with the procedures of G.S. 163-287.

23 (c) Ballot Question. – The form of the question to be presented on a ballot for a  
24 special election concerning the levy of the tax authorized by this Article shall be:

25 [ ] FOR [ ] AGAINST

26 real property transfer tax at the rate of up to one percent (1%) of value or  
27 consideration'.

1       (d) Resolution. – The board of county commissioners must, upon adoption of a  
2 resolution levying a tax under this Article, immediately deliver a certified copy of the  
3 resolution to the register of deeds of the county, accompanied by a certified statement  
4 from the county board of elections setting forth the results of the special election  
5 approving the tax in the county. Upon receipt of these documents, the register of deeds  
6 shall administer the tax in the county as provided in this Article.

7 **"§ 105-602. Scope of tax.**

8       (a) Scope. – A tax levied under this Article does not apply to transfers exempt  
9 pursuant to G.S. 105-228.28 or G.S. 105-228.29 from the tax levied by Article 8E of  
10 this Chapter. The tax is in addition to the tax levied by Article 8E of this Chapter. A tax  
11 levied under this Article applies to transfers of interests in real property located within  
12 the county. If the property is located in two or more counties, a transfer of an interest in  
13 the property is taxable only by the county in which the greater part of the property, with  
14 respect to value, lies.

15       (b) Basis and Effective Date. – A tax levied under this Article applies to the  
16 consideration or value, whichever is greater, of the interest conveyed, including the  
17 value of any lien or encumbrance remaining on the property at the time of conveyance.  
18 The levy of the tax may become effective only on the first day of a calendar month set  
19 in the resolution levying the tax, which may not be earlier than the first day of the  
20 second succeeding calendar month after the date the resolution is adopted.

21 **"§ 105-603. Administration.**

22       A tax levied under this Article is payable by the transferor of the interest. Except as  
23 otherwise provided in this Article, the provisions of G.S. 105-228.32 through  
24 G.S. 105-228.37 apply to a tax levied under this Article. The county must provide  
25 metering or similar equipment for the collection of the tax in lieu of the use of tax  
26 stamps.

27 **"§ 105-604. Repeal or reduction.**

28       A county may, by resolution, repeal or reduce the rate of a tax levied under this  
29 Article. Repeal or reduction of the tax must become effective on the first day of a month  
30 and may not become effective until the end of the fiscal year in which the repeal or  
31 reduction resolution was adopted. Repeal of a land transfer tax, or reduction of its rate,  
32 under this Article does not affect a liability for a tax that attached before the effective  
33 date of the repeal or reduction, nor does it affect a right to a refund of a tax that accrued  
34 before the effective date of the repeal or reduction.

35 **"§ 105-605. Effect on local acts.**

36       If a county levies a land transfer tax under this Article, that county may not also levy  
37 a land transfer tax under a local act. This section does not repeal any local act  
38 authorizing a county to levy a land transfer tax. However, a county's levy of a land  
39 transfer tax under this Article automatically removes the county's authority to levy a  
40 land transfer tax under a local act. Repeal of a county's land transfer tax levied under  
41 this Article does not revive the county's authority to levy a land transfer tax under a  
42 local act."

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