

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1516

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

Sponsors: Senator Atwater (By Request).

Referred to: Finance.

March 28, 2007

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:

"SUBCHAPTER X. LOCAL OPTION COUNTY TAXES.

"Article 60.

"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:

[] FOR [] AGAINST

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

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

5 **"§ 105-602. Scope of tax.**

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

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

19 **"§ 105-603. Administration.**

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

25 **"§ 105-604. Repeal or reduction.**

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

33 **"§ 105-605. Effect on local acts.**

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

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