

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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HOUSE BILL 2

Short Title: Provide Certain Property Tax Relief. (Public)

Sponsors: Representatives Dollar, Saine, Hardister, and R. Turner (Primary Sponsors).

Referred to: State and Local Government II, if favorable, Finance

January 26, 2017

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE DISABLED VETERAN PROPERTY TAX HOMESTEAD  
EXCLUSION AND TO PROVIDE A PROPERTY TAX HOMESTEAD EXCLUSION FOR  
THE SURVIVING SPOUSE OF QUALIFYING EMERGENCY PERSONNEL.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-277.1C(a) reads as rewritten:

"(a) Classification. – A permanent residence owned and occupied by a qualifying owner is designated a special class of property under Article V, Section 2(2) of the North Carolina Constitution and is taxable in accordance with this section. ~~The first forty five thousand dollars (\$45,000) of~~ appraised value of the residence is excluded from taxation. A qualifying owner who receives an exclusion under this section may not receive other property tax relief."

**SECTION 2.(a)** Article 12 of Subchapter II of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-277.1E. Surviving spouse property tax homestead exclusion.**

(a) Classification. – A permanent residence owned and occupied by a qualifying owner is designated a special class of property under Section 2(2) of Article V of the North Carolina Constitution and is taxable in accordance with this section. The appraised value of the residence is excluded from taxation. A qualifying owner who receives an exclusion under this section may not receive other property tax relief.

(b) Definitions. – The following definitions apply in this section:

(1) Emergency personnel officer. – Firefighting, search and rescue, or emergency medical services personnel or any employee of any duly accredited State or local government agency possessing authority to enforce the criminal laws of the State who (i) is actively serving in a position with assigned primary duties and responsibilities for prevention and detection of crime or the general enforcement of the criminal laws of the State and (ii) possesses the power of arrest by virtue of an oath administered under the authority of the State.

(2) Permanent residence. – Defined in G.S. 105-277.1.

(3) Property tax relief. – Defined in G.S. 105-277.1.

(4) Qualifying owner. – An owner, as defined in G.S. 105-277.1, who is a North Carolina resident and is the surviving spouse who has not remarried of an emergency personnel officer who was killed in the line of duty.

(c) Temporary Absence. – An owner does not lose the benefit of this exclusion because of a temporary absence from his or her permanent residence for reasons of health or because of an extended absence while confined to a rest home or nursing home, so long as the residence is unoccupied or occupied by a dependent of the owner, other than a spouse.



1        (d) Other Multiple Owners. – This subsection applies to co-owners who are not husband  
2 and wife. Each co-owner of a permanent residence must apply separately for the exclusion  
3 allowed under this section.

4        When one or more co-owners of a permanent residence qualify for the exclusion allowed  
5 under this section and none of the co-owners qualifies for the exclusion allowed under  
6 G.S. 105-277.1, each co-owner is entitled to the full amount of the exclusion allowed under this  
7 section. The exclusion allowed to one co-owner may not exceed the co-owner's proportionate  
8 share of the valuation of the property, and the amount of the exclusion allowed to all the  
9 co-owners may not exceed the exclusion allowed under this section.

10        When one or more co-owners of a permanent residence qualify for the exclusion allowed  
11 under this section and one or more of the co-owners qualify for the exclusion allowed under  
12 G.S. 105-277.1, each co-owner who qualifies for the exclusion allowed under this section is  
13 entitled to the full amount of the exclusion. The exclusion allowed to one co-owner may not  
14 exceed the co-owner's proportionate share of the valuation of the property, and the amount of the  
15 exclusion allowed to all the co-owners may not exceed the greater of the exclusion allowed under  
16 this section and the exclusion allowed under G.S. 105-277.1.

17        (e) Application. – An application for the exclusion allowed under this section should be  
18 filed during the regular listing period but may be filed and must be accepted at any time up to and  
19 through June 1 preceding the tax year for which the exclusion is claimed. Persons may apply for  
20 this property tax relief by entering the appropriate information on a form made available by the  
21 assessor under G.S. 105-282.1"

22        **SECTION 2.(b)** G.S. 105-282.1(a) reads as rewritten:

23        "(a) Application. – Every owner of property claiming exemption or exclusion from property  
24 taxes under the provisions of this Subchapter has the burden of establishing that the property is  
25 entitled to it. If the property for which the exemption or exclusion is claimed is appraised by the  
26 Department of Revenue, the application shall be filed with the Department. Otherwise, the  
27 application shall be filed with the assessor of the county in which the property is situated. An  
28 application must contain a complete and accurate statement of the facts that entitle the property to  
29 the exemption or exclusion and must indicate the municipality, if any, in which the property is  
30 located. Each application filed with the Department of Revenue or an assessor shall be submitted  
31 on a form approved by the Department. Application forms shall be made available by the assessor  
32 and the Department, as appropriate.

33        Except as provided below, an owner claiming an exemption or exclusion from property taxes  
34 must file an application for the exemption or exclusion annually during the listing period.

35        ...

36        (2) Single application required. – An owner of one or more of the following  
37 properties eligible for a property tax benefit must file an application for the  
38 benefit to receive it. Once the application has been approved, the owner does  
39 not need to file an application in subsequent years unless new or additional  
40 property is acquired or improvements are added or removed, necessitating a  
41 change in the valuation of the property, or there is a change in the use of the  
42 property or the qualifications or eligibility of the taxpayer necessitating a  
43 review of the benefit.

44        a. Property exempted from taxation under G.S. 105-278.3, 105-278.4,  
45 105-278.5, 105-278.6, 105-278.7, or 105-278.8.

46        b. Special classes of property excluded from taxation under  
47 G.S. 105-275(3), (7), (8), (12), (17), (18), (19), (20), (21), (31e), (35),  
48 (36), (38), (39), (41), or (45) or under G.S. 105-277.1C,  
49 G.S. 105-277.1E, or G.S. 131A-21.

1                                   c.       Special classes of property classified for taxation at a reduced valuation  
2   under G.S. 105-277(h), 105-277.1, ~~105-277.1C,~~ 105-277.10,  
3   105-277.13, 105-277.14, 105-277.15, 105-277.17, or 105-278.  
4   ...."

5                                   **SECTION 3.** This act is effective for taxes imposed for taxable years beginning on or  
6 after July 1, 2017.