

May 22, 2008

**H 2483. DEFERRED PROPERTY TAX PROGRAMS CHANGES.** Filed 5/21/08. *TO MODIFY THE CIRCUIT BREAKER TAX BENEFIT, TO STANDARDIZE ADMINISTRATION OF ALL DEFERRED PROPERTY TAX PROGRAMS, AND TO CORRECT THE EFFECTIVE DATE OF CHANGES TO THE HOMESTEAD EXCLUSION.*

*Property tax homestead circuit breaker.* Modifies the property tax homestead circuit breaker by amending GS 105-277.1B, 105-282.1, 153A-148.1, and 160A-208.1 and by enacting new GS 105-365.1 to (1) transfer responsibility for notifying owners of the amount of deferred taxes from the tax assessor to the tax collector, (2) eliminate the nine-month delay before a taxing unit can use enforced collection remedies against disqualified property, and replace it with a six-month delay in the case of the owner's death and no delay in the case of another disqualifying event, (3) require an annual application for the property tax circuit breaker; and (4) make an exception to the tax secrecy law to allow a property tax receipt to include the amount of taxes due and deferred on property subject to the circuit breaker. Also makes technical, clarifying, and conforming changes to GS 105-277.1B and to the property tax definitions statute, GS 105-273.

*Uniform provisions for deferred property tax programs.* Enacts a new GS 105-277.1C to provide uniform provisions to govern the six existing deferred tax programs (future sites for historic structures; property tax homestead circuit breaker; present-use value property; working waterfront property; historic property; and future sites for low or moderate-income housing held by a nonprofit.) The uniform provisions govern but do not change the law on the following issues: (1) when deferred taxes become due, (2) accrual of interest, (3) computation of tax for the year a disqualifying event occurs, and (4) extinction of liens by payment of deferred taxes.

The uniform provisions provide a change in the law for some of the deferral programs by (1) allowing part of property to retain eligibility when another part loses eligibility and (2) allowing partial payment of deferred taxes. Makes conforming and technical changes to GS 105-277.1B, GS 105-275(29a), GS 105-277.4(c), GS 105-277.14(c), GS 105-278(b), GS 105-278.6(e), and GS 105-360(a).

*Enforced collection remedies.* Enacts a new GS 105-365.1 setting forth the dates a tax is considered delinquent as follows: (1) the date interest starts to accrue if the tax is not a deferred tax, (2) the date of a disqualifying event for most deferred taxes, and (3) if eligibility for deferral is lost due to the death of an owner receiving the circuit tax breaker benefit, six months after the death. Allows enforced collection procedures against (1) the owner of record of real property on the date of delinquency, (2) the owner of record of personal property on January 1 of the year taxation begins, and (3) the owner of record of a motor vehicle on the date of registration renewal or new application.

*Homestead property tax exclusion.* Makes a technical correction to the effective date of the income eligibility limit in GS 105-277.1(a2).

*Effective date.* Effective for taxes imposed for taxable years beginning on or after July 1, 2008.

**Intro. by Brubaker, Hill.**

GS 105, 153A, 160A