

March 21, 2007

S 1309. PROPERTY TAX REFORM ACT OF 2007. Filed 3/21/07. *TO REFORM THE PROPERTY TAX LAWS OF NORTH CAROLINA.*

Makes the following changes to the Machinery Act, Subchapter II of GS Chapter 105 and related statutes. (1) Effective beginning with the 2008-09 tax year, eliminates the octennial plan for revaluations of real property in GS 105-286 and instead provides that a county must reappraise all real property in the county whenever the ratio of appraised value to true value of real property in the county falls below 90%. Also eliminates fourth-year horizontal adjustments. (2) Effective for bonds issued on or after the date the act becomes law, repeals GS 131A-21, which grants a property tax exemption for property financed by NC Medical Care Commission bonds or notes. (3) Effective beginning with the 2008-09 tax year, provides that a cable company is a public service company for purposes of appraisal of its system property and allocation of the valuation among local governments under Article 23 of the Machinery Act. (4) Effective beginning with the 2008-09 tax year, enacts new GS 105-278.2A to require taxation based on use value rather than true value for certain residential property that is in a subdivision that was rezoned more than five years ago from single family residential use to another use and is predominantly characterized by single family residences. (5) Directs Mecklenburg County to implement a plan for payment of property taxes in periodic installments. Effective beginning with the 2008-09 tax year, amends GS 105-320 to require that property tax receipts separately state the tax rate for public school purposes and the total rate for all other purposes. (6) Effective December 1, 2007, amends numerous provisions of the Machinery Act relating to mobile homes, including clarifying that the tax permit requirements of GS 105-316.1 apply to repossession whether or not the home is moved from its site, requiring that a lienholder pay the taxes on a repossessed mobile home before a new title may be issued, and providing in GS 105-366 for remedies against a lienholder who repossesses a mobile home and fails to obtain a permit and pay the property taxes.

Intro. by Clodfelter.

GS 105, 131, 143

July 30, 2007

S 1309. FAIRNESS IN PT VALUES/LIEN ON MOBILE HOME (NEW). Filed 3/21/07. Senate committee substitute deletes all provisions of the 1st edition except the repeal of GS 105-286(b) (property tax horizontal adjustments), conforming changes to GS 105-287, and the amendment to GS 105-355 (lien for property taxes levied on a mobile home listed as personal property attach to the home and to all real property of the taxpayer within the taxing unit as of the listing date). Amends GS 105-286 to change from every eight years to every four years the minimum period between general reappraisals of real property for property tax purposes. Allows a county to skip a required reappraisal if the sales assessment ratio for the county is greater than 0.90. Makes the act effective beginning with the 2008-09 property tax year, phases in the amendments to GS 105-286, makes conforming changes, and changes the title to *AN ACT TO REDUCE THE DISCREPANCY BETWEEN THE PROPERTY TAX VALUE OF PROPERTY AND ITS MARKET VALUE AND TO TREAT MOBILE HOMES THE SAME AS OTHER HOMES WITH RESPECT TO PROPERTY TAX LIENS.*

July 31, 2007

S 1309. FAIRNESS IN PT VALUES/LIEN ON MOBILE HOME. Filed 3/21/07. Senate amendment makes the following changes to 2nd edition. Enacts new GS 105-283(b) to provide that certain low-income property will be appraised for property tax purposes not at its true value but at a lower value determined by taking into consideration the effect of rent and income restrictions but not taking into consideration the value of tax incentives, grants, interest subsidies, or loans relating to the property.

Also amends GS 105-287 to eliminate the authority of the appraiser to increase or decrease the appraised value of real property in a year in which a general reappraisal is not made in the following circumstances: (1) when there is a change in value of the property due to a physical change to the land or improvements; (2) when there is a change in value of the property due to a change in the legally permitted use of the property.