NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 259

Amends Title [NO] Date ______________________ , 2023
Fourth Edition

Senator Applewhite

moves to amend the bill on page 278, lines 49-50, by inserting between the lines the following:

"REPORTING REQUIREMENT FOR PISGAH LEGAL SERVICES

SECTION 16.10.(a) No later than February 1 of each year, Pisgah Legal Services
(Pisgah) shall report to the Joint Legislative Oversight Committee on Justice and Public Safety,
at a minimum, all of the following:

(1) An accounting of all State funds utilized by Pisgah for its Veterans Law
Project during the prior year.
(2) The number of individuals that received services from Pisgah as a part of its
Veterans Law Project during the prior year.
(3) The types of services performed by Pisgah during the prior year as a part of
its Veterans Law Project and the counties in which those services were
performed.

SECTION 16.10.(b) Notwithstanding any provision of the Committee Report
described in Section 43.2 of this act to the contrary, the funds appropriated by this act to the
Opportunity Scholarship Grant Fund Reserve shall be reduced by one hundred fifty thousand
dollars ($150,000) in recurring funds in the 2023-2024 fiscal year, and there is appropriated from
the General Fund to the Administrative Office of the Courts the sum of one hundred fifty
thousand dollars ($150,000) in recurring funds for the 2023-2024 fiscal year to be allocated as a
grant to Pisgah Legal Services, a North Carolina nonprofit corporation, for the Veterans Law
Project to assist veterans with legal needs and obtaining federal benefits and accessing health
care.

SECTION 16.10.(c) Subsection (b) of this section becomes effective July 1, 2023.
The remainder of this section is effective when it becomes law."; and

moves to amend the bill on page 323, lines 49-50, by inserting between the lines the following:

"HOMES FOR HEROES

SECTION 29.4.(a) As used in this section, the following definitions apply:
(1) Active duty member. – As defined in G.S. 58-58-335(1).
(2) Emergency medical services personnel. – As defined in G.S. 131E-155.
(3) Firefighter. – As defined in G.S. 58-84-5.
(4) First-time homebuyer. – An individual who meets all of the following criteria:
a. Is purchasing the subject residential property.
b. Will reside in the subject residential property as a principal residence.

c. Has had no ownership interest, sole or joint, in a residential property during the three-year period preceding the date of the purchase of the subject residential property.

(5) Law enforcement officer. – An individual employed by the State or a local government in this State as a sheriff, deputy sheriff, police officer, or member of the State Highway Patrol.

(6) Public servant. – An active duty member or veteran, or a law enforcement officer, teacher, firefighter, or emergency medical services personnel employed in this State.

(7) Teacher. – An individual whose major responsibility is to either teach or directly supervise teaching, as classified by the State Board of Education, in a public school unit, as that term is defined in G.S. 115C-5.

(8) Veteran. – As defined in G.S. 122C-465(3).

SECTION 29.4.(b) The Housing Finance Agency (Agency) shall establish a program operating under the Homeownership Assistance Fund, authorized under G.S. 122A-5.7, that provides assistance to first-time homebuyers that are employed full-time as public servants in this State. The Agency shall provide, in the form of reimbursement or direct payment, monies to be used for down payment assistance and to offset mortgage insurance premiums charged to program participants. First-time homebuyers shall be limited to the lesser of the sum of twenty-five thousand dollars ($25,000) or ten percent (10%) of the purchase price for down payment assistance, mortgage insurance premium assistance, and closing costs. The Agency may provide for mortgage insurance payment assistance at least monthly, but for no longer than 60 months for any single first-time homebuyer.

SECTION 29.4.(c) The Agency is hereby empowered to adopt, modify, or repeal rules and regulations governing the provision of down payment assistance and mortgage insurance assistance provided pursuant to this section.

SECTION 29.4.(d) Notwithstanding any provision of the Committee Report described in Section 43.2 of this act to the contrary, the funds appropriated by this act to the Opportunity Scholarship Grant Fund Reserve shall be reduced by two hundred million dollars ($200,000,000) in recurring funds in the 2023-2024 fiscal year, and there is appropriated from the General Fund to the Homeownership Assistance Fund, authorized under G.S. 122A-5.7, the sum of two hundred million dollars ($200,000,000) in recurring funds for the 2023-2024 fiscal year to be used for the purposes provided in this act.

ESTABLISH THE FAMILIES AND VETERANS CAREGIVER TAX CREDIT.

SECTION 42.5A.(a) Part 2 of Article 4 of Subchapter I of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-153.11. Credit for adult dependents.

(a) Credit. – A taxpayer who (i) is allowed an exemption for a qualifying relative pursuant to section 152 of the Code and (ii) has an adjusted gross income less than the amount listed in the table below is allowed a credit under this section against the tax imposed by this Part for each
amendment to House Bill 259

The amount of the credit is equal to three thousand dollars ($3,000) if the qualifying relative is a veteran of the Armed Forces of the United States and is one thousand five hundred dollars ($1,500) for any other qualifying relative. The applicable adjusted gross income limit for a taxpayer is as follows:

<table>
<thead>
<tr>
<th>Filing Status</th>
<th>AGI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married, filing jointly/surviving spouse</td>
<td>$150,000</td>
</tr>
<tr>
<td>Head of Household</td>
<td>$112,500</td>
</tr>
<tr>
<td>Single</td>
<td>$75,000</td>
</tr>
<tr>
<td>Married, filing separately</td>
<td>$75,000</td>
</tr>
</tbody>
</table>

(b) Limitations. – A nonresident or part-year resident who claims the credit allowed by this section shall reduce the amount of the credit by multiplying it by the fraction calculated under G.S. 105-153.4. The credit allowed under this section may not exceed the amount of tax imposed by this Part for the taxable year reduced by the sum of all credits allowable, except payments of tax made by or on behalf of the taxpayer.

SECTION 42.5A.(b) This act is effective for taxable years beginning on or after January 1, 2023.

on page 388, lines 23-24, by inserting between the lines the following:

"INCREASE THE PROPERTY TAX HOMESTEAD EXCLUSION AMOUNT FOR DISABLED VETERANS, TO REIMBURSE LOCAL GOVERNMENTS FOR THEIR RESULTING REVENUE LOSS, AND TO ALLOW DISABLED VETERANS TO PREQUALIFY FOR THE DISABLED VETERAN PROPERTY TAX HOMESTEAD EXCLUSION."

SECTION 42.20.(a) Effective for taxes imposed for taxable years beginning on or after July 1, 2024, G.S. 105-277.1C reads as rewritten:

"§ 105-277.1C. Disabled veteran property tax homestead exclusion.

(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 first one hundred thousand dollars ($100,000) 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.

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

(1) Disabled veteran. – A veteran of any branch of the Armed Forces of the United States whose character of service at separation was honorable or under honorable conditions and who satisfies one of the following requirements:

a. As of January 1 preceding the taxable year for which the exclusion allowed by this section is claimed, the veteran had received benefits under 38 U.S.C. § 2101.

b. The veteran has received a certification by the United States Department of Veterans Affairs or another federal agency indicating that, as of January 1 preceding the taxable year for which the exclusion
allowed by this section is claimed, he or she has a service-connected, permanent, and total disability.

c. The veteran is deceased and the United States Department of Veterans Affairs or another federal agency has certified that, as of January 1 preceding the taxable year for which the exclusion allowed by this section is claimed, the veteran's death was the result of a service-connected condition.

(2) Repealed by Session Laws 2009-445, s. 22(c), effective for taxes imposed for taxable years beginning on or after July 1, 2009.

(2a) Hold harmless amount. – The appraised value of a property excluded from taxation under subsection (a) of this section, multiplied by the applicable local tax rate.

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

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

(4a) Qualifying owner. – An owner, as defined in G.S. 105-277.1, who is a North Carolina resident and one of the following:

a. A disabled veteran.

b. The surviving spouse of a disabled veteran who has not remarried.

(5), (6) Repealed by Session Laws 2009-445, s. 22(c), effective for taxes imposed for taxable years beginning on or after July 1, 2009.


(8) Total hold harmless amount. – The sum of the following:

a. The hold harmless amount for all property excluded from taxation under subsection (a) of this section in the county.

b. The hold harmless amount for all property excluded from taxation under subsection (a) of this section in the cities located in the county.

(f) Application. – An application for the exclusion allowed under this section should be filed during the regular listing period, but may be filed and must be accepted at any time up to and through June 1 preceding the tax year for which the exclusion is claimed. An applicant for an exclusion under this section must establish eligibility for the exclusion by providing a copy of the veteran's disability certification or evidence of benefits received under 38 U.S.C. § 2101. An assessor may accept the prequalification notice under subsection (h) of this section to establish eligibility for the exclusion provided in this section in lieu of a veteran's disability certification or evidence of benefits received under 38 U.S.C. § 2101.

(g) Reimbursement. – On or before September 1 of each year, each county tax collector shall notify the Secretary of Revenue, in a manner prescribed by the Secretary, of the county's total hold harmless amount. A county that fails to notify the Secretary of Revenue of its total hold harmless amount by the due date is barred from receiving a reimbursement under this subsection for that taxable year. On or before December 31 of each year, the Secretary of Revenue shall distribute to each county its respective total hold harmless amount.

Any funds received by a county that are attributable to a city within the county must be distributed to that respective city. Any funds received by a county or city because the county or
city was collecting taxes for another unit of government or special district must be credited to the
funds of that other unit or district in accordance with regulations issued by the Local Government
Commission.

In order to pay for the reimbursement under this section and the cost to the Department of
Revenue of administering the reimbursement, the Secretary of Revenue shall draw from
collections received under Part 2 of Article 4 of this Chapter an amount equal to the
reimbursement and the cost of administration.

(h) Prequalification. – A disabled veteran or the surviving spouse of a disabled veteran
who has not remarried may apply for prequalification of the property tax relief provided by this
section notwithstanding that the disabled veteran or the surviving spouse of a disabled veteran
who has not remarried is not an owner of a permanent residence at the time that the application
for prequalification is submitted. It is the intent of the General Assembly to allow taxpayers and
lenders to determine, in advance of the purchase of a primary residence, the availability of the
tax benefit provided by this section in order to facilitate omitting exempted amounts from
determinations of payment calculations. An application for prequalification under this subsection
may be filed at any time, must be submitted on a form approved by the Department, and must be
accompanied by a copy of the veteran's disability certification or evidence of benefits received
under 38 U.S.C. § 2101. Application forms under this subsection must be made available by the
assessor. Upon receipt of an application under this subsection, the assessor of the county in which
the application is filed must notify the applicant of the applicant's qualification for
eligibility for property tax relief under this section within 30 days. Upon purchasing a permanent residence, an
applicant who has received prequalification under this subsection must apply for the property tax
relief provided by this section as required under subsection (f) of this section."

SECTION 42.20.(b) Effective for taxes imposed for taxable years beginning on or
after July 1, 2026, G.S. 105-277.1C(a), as rewritten by Section 1(a) of this act, 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 one hundred thousand dollars
($100,000) 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 42.20.(c) Effective for taxes imposed for taxable years beginning on or
after July 1, 2028, G.S. 105-277.1C(a), as rewritten by Section 1(b) of this act, 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 one hundred fifty thousand dollars ($150,000) 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 42.20.(d) Except as otherwise provided, this section is effective when it
becomes law."; and

by adjusting appropriate totals accordingly.
The official copy of this document, with signatures and vote information, is available in the Senate Principal Clerk's Office