



North Carolina Department of Revenue

Roy Cooper
Governor

Ronald G. Penny
Secretary

December 10, 2018

MEMORANDUM

TO: County Assessors and Tax Administrators

FROM: Tony Simpson, Director
Local Government Division

RE: 2018 Local Government Legislation

We are enclosing a summary of the significant local government legislation (having state-wide application) enacted by the 2018 Session of the North Carolina General Assembly. The summary includes the bill number, purpose of the bill, and brief comments as to each ratified bill. A copy of each bill may be obtained at the following web page.

<http://www.ncga.state.nc.us>

If you do not serve as the tax collector, please make copies of this memorandum and summary available to the person holding that position in your county.

If you have any questions concerning any of this new legislation, please call our staff at 919-814-1129.

2018 Local Government LEGISLATION

Bills Enacted by the 2018 Session of the N.C. General Assembly

Local Government

Ratified House Bills

HB 320

G.S. 105-277.15 – Taxation of Wildlife Conservation Land.

105-277.15(c)(3)(a.)(3): Section 277.15 provides for alternate valuation of qualifying properties. The amendment expanded qualifying uses of property to include property for which the owner, by agreement with the North Carolina Wildlife Resources Commission, is required to:

Create and actively and regularly use as a reserve for hunting, fishing, shooting, wildlife observation, or wildlife activities, provided that the land is inspected by a certified wildlife biologist at least quintennially to ensure that at least three of the seven activities listed in this sub-sub-subdivision are maintained to propagate a sustaining breeding, migrating, or wintering population of indigenous wild animals for human use, including food, medicine, or recreation. The Commission shall adopt rules needed to administer the inspection requirements of and activities mandated by this sub-sub-subdivision.

- I. Supplemental food.
- II. Supplemental water.
- III. Supplemental shelter.
- IV. Habitat control.
- V. Erosion control.
- VI. Predator control.
- VII. Census of animal population on the land.

105-277.15(d)(1) was amended to expand to 800 acres the maximum amount of land that may qualify under the provisions of (c)(3)(a.)(3).

(Effective date July 1, 2019; HB320; s. 1, S.L. 2018-95)

HB 374

G.S. 105-275 - Property classified and excluded from the tax base.

105-275 (46) Excluded from taxation personal property that is “occupied (sic) by a charter school and is wholly and exclusively used for educational purposes as defined in G.S. 105-278.4(f)...”

105-275 (49) Expanded the property tax exclusion for mobile classrooms or modular units “occupied by a school and is wholly and exclusively used for educational purposes, as defined in G.S. 105-278.4(f)...” to include both nonprofit and for-profit charter schools.

(Effective July 1, 2018; HB 374; s. 25.(a), S.L. 2018-114)

Ratified Senate Bills

SB 99

G.S. 105-320 - Tax receipts; preparation

Repealed 105-320(b), an obsolete provision.

(Effective upon becoming law, June 12, 2018; SB99; s. 38.10(i), S.L. 2018-5)

G.S. 105-282.1 Applications for property tax exemption or exclusion; annual review of property exempted or excluded from property tax

Amended 105-282.1(2)(b) to provide that only a single (rather than annual) application is required for participation in the following exclusion programs provided under G.S. 105-275:

- 105-275(45) Solar energy electric systems
- 105-275(46) Real property occupied by a charter school
- 105-275(47) Certain energy mineral interests in property
- 105-275(48) Real and personal property located on lands held in trust by the United States for the Eastern Band of Cherokee Indians
- 105-275(49) School mobile/modular classrooms

(Effective upon becoming law, June 12, 2018; SB99; s. 38.10(d), S.L. 2018-5)

G.S. 105-395.1 - Applicable date when due date falls on weekend or holiday

In addition to Saturdays, Sundays, and holidays, a due date is now extended to the next business day when all of the following occur on a due date:

- a. The tax office is closed;
- b. The taxpayer certifies in writing that the United States Postal Service did not provide service to the taxpayer's address; and
- c. A disaster declaration is declared pursuant to G.S. 166A-19.21 or G.S. 166A-19.22.

(Effective date July 1, 2018; SB99; s. 38.9(a), S.L. 2018-5)

SB 561

G.S. 105-275 - Property classified and excluded from the tax base:

105-275(31) Excluded from taxation all leasehold interests in exempt real property, some of which were previously taxable.

105-275 (31e) Because the above change to subsection (31) applies to all leasehold interests in exempt real property, the exclusion previously offered by subsection (31e) is no longer necessary. Repealed prior exclusion from taxation of a leasehold interest in “real property that is exempt under G.S. 105-278.1 and is used to provide affordable housing for employees of the unit of government that owns the property.”

(Effective July 1, 2019; SB 561; s. 1.(a), S.L. 2018-93)

SB 711

G.S. 105-278.2 – Burial Property

105-278.2(a) was amended to clarify that no application or survey is required in order to qualify for the exemption.

(Effective upon becoming law, June 27, 2018; SB711; s. 15, S.L. 2018-113)

G.S. 105-317.1 - Appraisal of personal property; elements to be considered

Added 105-317.1(b1) to require NCDOR to publish a depreciation schedule for farm equipment, and provides that counties using the cost approach to value farm equipment must also use the depreciation schedule published by NCDOR.

(Effective date July 1, 2019; SB711; s. 14(a), S.L. 2018-113)