

# Legislative Update

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# General Assembly

- Two year budget
- Long Session in odd years – 2017
  - Budget set in long session
  - New bills introduced
- Short Session in even years – 2018
  - Budget is adjusted
  - Only bills that passed one Chamber during the long session can be considered

# Legislative Changes in 2017

- New exclusion added to GS 105-275
- Study commission created for farm machinery equipment
- Minor change to present use value definition of income
- Property Tax Commission
- Technical changes to MV statutes to clarify gap billing
- Public Service Values

# S. L. 2017-204 Senate Bill 628, Section 5.4(a), Effective for 2018

- **G.S. 105-275(49) — Property classified and excluded from the tax base:** Exempts a mobile classroom or modular unit that is occupied by a school and is wholly and exclusively used for educational purposes, defined in G.S. 105-278.4(f), regardless of the ownership of the property. The term "school" means a public school, including any school operated by a local board of education in a local school administrative unit; a nonprofit charter school; a regional school; a nonprofit nonpublic school regulated under Article 39 of Chapter 115C of the General Statutes; or a community college established under Article 2 of Chapter 115D of the General Statutes.

# S. L. 2017-108 Senate Bill 615, Section 1(a).

- **AGRICULTURE AND FORESTRY AWARENESS STUDY COMMISSION STUDIES.**  
The commission shall study the advisability of providing property tax abatement to aging farm machinery. In conducting this study, the Commission shall consider all of the following: (i) whether farm machinery 10 years or older, or other time period the Commission deems appropriate, should be designated as a special class under Section 2(2) of Article V of the North Carolina Constitution and be excluded from property tax; (ii) if such farm machinery should be excluded from property tax, whether an eighty percent (80%) property tax exclusion is an appropriate exclusion amount, or another amount the Commission deems appropriate; and (iii) the fiscal impact on local governments if such machinery were to be excluded from property tax. The Commission may request any information necessary to complete the study from any county tax office in this State and from the Department of Revenue.

# New Legislation

- **S. L. 2008-108 Senate Bill 615, Section 3(a), Effective for 2017.**
- **105-277.3. Agricultural, horticultural, and forestland – Classifications.** Changes the definition of gross income to include grazing fees for livestock, the sale of bees or products derived from beehives other than honey.

# New Legislation

- **S. L. 2017-206 House Bill 770, Section 2(a), Effective retroactive to April 1, 2017**
- **105-288. Property Tax Commission.** The members of the Property Tax Commission whose salaries or any portion of whose salaries are paid from State funds shall not receive travel and subsistence expenses, in accordance with G.S. 138-5(f), but shall receive a salary as provided for by the Commission under this subsection.

# New Legislation

- **S. L. 2017-204 Senate Bill 628, Section 5.1(a), Effective for 2017**
- **105-330.3(a1) Unregistered Vehicles.** For any months a vehicle was not taxed between the date the registration expired and the start of the current registered vehicle tax year, the vehicle is taxed as an unregistered motor vehicle and the value is determined as of January 1 of the year in which the taxes are computed.



# New Legislation

- **S. L. 2017-204 Senate Bill 628, Section 5.1(a), Effective for taxes beginning on or after July 1, 2017.**
- **105-330.3(a1) Unregistered Vehicles.** Taxes are due September 1 following the date the notice was prepared. Taxes are payable at face amount if paid before January 6 following the due date. Taxes paid on or after January 6 following the due date are subject to interest charges. Interest accrues on taxes paid on or after January 6 pursuant to G.S. 105-360.

# New Legislation

- **S. L. 2017-204 Senate Bill 628, Section 5.2, Effective for taxes beginning on or after July 1, 2017.**
- **105-330.6(c) Surrender of Plates.** If the owner of a classified motor vehicle listed pursuant to G.S. 105-330.3(a)(1) vehicle, who pays the tax as required by G.S. 105-330.4(a), either transfers the motor vehicle to a new owner or moves out-of-state and registers the vehicle in another jurisdiction, and the owner surrenders the registration plates from the listed vehicle to the Division of Motor Vehicles, then the owner may apply for a release or refund of taxes on the vehicle for any full calendar months remaining in the vehicle's tax year after the date of surrender.

# New Legislation

- **S. L. 2017-10 Senate Bill 628, Section 5.3, Effective for taxes beginning on or after July 1, 2017.**
- **105-338. Allocation of appraised valuation of public service property among local taxing units. State Board's Duty.** – For purposes of taxation by local taxing units in this State, the Department of Revenue shall allocate the valuations of public service company property among the local taxing units in accordance with the provisions of this section. In no event, however, shall the State Board make an allocation to a taxing unit if, when computed, the valuation for that taxing unit amounts to less than five hundred dollars (\$500.00).

# Proposed Legislation

Legislation that passed one chamber that is eligible for the short session  
in May

# Possible Changes in Legislation for 2018?

- Disabled Veterans Exclusion
- Study Commissions
- Present Use Value
- Immaterial Irregularities

## Proposed Legislation-HB 2

- AN ACT TO INCREASE THE DISABLED VETERAN PROPERTY TAX HOMESTEAD EXCLUSION, TO REIMBURSE LOCAL GOVERNMENTS FOR THEIR RESULTING REVENUE LOSS, AND TO PROVIDE A PROPERTY TAX HOMESTEAD EXCLUSION FOR THE SURVIVING SPOUSE OF QUALIFYING EMERGENCY PERSONNEL.
- Increases the exclusion amount from 45,000 to 100,000
- Holds counties harmless for the increase in exclusion. Requires counties to notify DOR by September 1 annually of the hold harmless amount.

# Proposed Legislation- HB 31

- AN ACT TO REQUIRE THE ENVIRONMENTAL REVIEW COMMISSION TO STUDY NORTH CAROLINA'S SOLID WASTE DISPOSAL TAX.

# Proposed Legislation- HB 880

- AN ACT TO PROVIDE PRESENT-USE VALUE TAX BENEFITS FOR BEEKEEPING OPERATIONS.
- **Agricultural, horticultural, forestland and beekeeping land – Classifications.**
- (a) Classes Defined. – The following classes of property are designated special classes of property under authority of Section 2(2) of Article V of the North Carolina Constitution and must be appraised, assessed, and taxed as provided in G.S. 105-277.2 through G.S. 105-277.7. 10
- (4) Beekeeping land. – Individually owned land consisting of one tract used throughout the year to raise bees for the sale of bees or products derived from bee hives other than honey. The tract must meet the income requirement for agricultural land, house at least 50 hives, consist of at least 5 acres but not more than 20 acres, and be operated under a sound management program as defined by subsection (h) of this section.
- (h) Sound Management Program for Beekeeping Land. – If the property owner demonstrates all of the following with respect to beekeeping land, then the land is operated under a sound management program:
  - (1) Evidence that the property owner provided forage for the bees.
  - (2) Certification by a recognized agricultural agency within the county that the density of bee hives located on the property is appropriate for the size of the tract.



# Proposed Legislation- S616

- AN ACT TO CONFORM THE PROCEDURES FOR PROPERTY TAX IMMATERIAL IRREGULARITIES TO THE PROCEDURES FOR PROPERTY TAX DISCOVERIES
- Limits immaterial irregularities to five years to match discoveries and provides an appeal process.

# Legislation in the future?

- Change exclusion amount for solar energy systems and include solar property as non system property?
- Displaced residential land tax deferral?
- Disqualify certain property from PUV?
- Machinery act update?
- C-PACE?



I TOLD YOU YOUR  
COSTUME WAS  
TOO SCARY!

Property  
Tax

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OR  
TREAT

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Questions?