

GENERAL ASSEMBLY OF NORTH CAROLINA  
1987 SESSION

CHAPTER 130  
HOUSE BILL 403

AN ACT TO CHANGE THE METHOD BY WHICH PROPERTY OWNED BY A  
NONPROFIT HOMEOWNERS' ASSOCIATION IS TAXED.

The General Assembly of North Carolina enacts:

**Section 1.** G.S. 105-277.8 is rewritten to read:

**"§ 105-277.8. Taxation of property of nonprofit homeowners' association.** – (a) The value of real and personal property owned by a nonprofit homeowners' association shall be included in the appraisals of property owned by members of the association and shall not be assessed against the association if:

- (1) All property owned by the association is held for the use, benefit, and enjoyment of all members of the association equally;
- (2) Each member of the association has an irrevocable right to use and enjoy, on an equal basis, all property owned by the association, subject to any restrictions imposed by the instruments conveying the right or the rules, regulations, or bylaws of the association; and
- (3) Each irrevocable right to use and enjoy all property owned by the association is appurtenant to taxable real property owned by a member of the association.

The assessor may allocate the value of the association's property among the property of the association's members on any fair and reasonable basis.

(b) As used in this section, 'nonprofit homeowners' association' means a homeowners' association as defined in § 528(c) of the Internal Revenue Code."

**Sec. 2.** This act shall become effective January 1, 1988.

In the General Assembly read three times and ratified this the 4th day of May, 1987.