

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021**

**SESSION LAW 2021-113  
HOUSE BILL 273**

AN ACT TO EXEMPT FROM PROPERTY TAX THE INCREASE IN VALUE OF  
PROPERTY DUE TO THE CONSTRUCTION OF TOWNHOUSES HELD FOR SALE BY  
A BUILDER.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-277.02(a) reads as rewritten:

"(a) Residential Real Property. – Residential real property held for sale by a builder is designated a special class of property under authority of Article V, Sec. 2(2) of the North Carolina Constitution. For purposes of this subsection, "residential real property" is real property that is intended to be sold and used as an individual's residence immediately or after construction of a residence, and the term excludes property that is either occupied by a tenant or used for commercial purposes such as residences shown to prospective buyers as models. Any increase in value of this classified property attributable to subdivision ~~of, of the property,~~ improvements other than ~~buildings, buildings made on the property,~~ or the construction of ~~either~~ a new single-family ~~residence~~ residence, a townhouse, or a duplex on the property by the builder is excluded from taxation under this Subchapter as long as the builder continues to hold the property for sale. In no event shall this exclusion extend for more than three years from the time the improved property was first subject to being listed for taxation by the builder."

**SECTION 2.** This act is effective for taxes imposed for taxable years beginning on or after July 1, 2022.

In the General Assembly read three times and ratified this the 16<sup>th</sup> day of August, 2021.

s/ Ralph Hise  
Presiding Officer of the Senate

s/ Mike Clampitt  
Presiding Officer of the House of Representatives

s/ Roy Cooper  
Governor

Approved 11:49 a.m. this 23<sup>rd</sup> day of August, 2021

