

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 257

Short Title: Compromise Use-Value Rollback.

(Public)

Sponsors: Representative Kimsey.

Referred to: Finance.

March 18, 1991

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE COUNTIES TO COMPROMISE TAXES DEFERRED
PURSUANT TO USE-VALUE PROPERTY TAXATION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-277.4(c) reads as rewritten:

"(c) Property meeting the conditions herein set forth shall be taxed on the basis of the value of the property for its present use. The difference between the taxes due on the present-use basis and the taxes which would have been payable in the absence of this classification, together with any interest, penalties or costs that may accrue thereon, shall be a lien on the real property of the taxpayer as provided in G.S. 105-355(a). The difference in taxes shall be carried forward in the records of the taxing unit or units as deferred taxes, but shall not be payable, unless and until (i) the owner conveys the property to anyone other than a relative of the owner, or (ii) ownership of the property passes to anyone other than a relative by will or intestacy, or (iii) ownership of the property passes to a corporation as defined in G.S. 105-277.2(4)b from anyone other than its principal shareholders or from such a corporation to anyone other than its principal shareholders, or (iv) the property loses its eligibility for the benefit of this classification for some other reason. The tax for the fiscal year that opens in the calendar year in which a disqualification occurs shall be computed as if the property had not been classified for that year, and taxes for the preceding three fiscal years which have been deferred as provided herein, shall immediately be payable, together with interest thereon as provided in G.S. 105-360 for unpaid taxes which shall accrue on the deferred taxes due herein as if they had been payable on the dates on which they originally became due. If only a part of the qualifying tract of land loses its eligibility, a

1 determination shall be made of the amount of deferred taxes applicable to that part and
2 that amount shall become payable with interest as provided above. Upon the payment of
3 any taxes deferred in accordance with this section for the three years immediately
4 preceding a disqualification, all liens arising under this subsection shall be extinguished.
5 Upon request of the taxpayer, the board of county commissioners may, for good cause,
6 compromise, settle, or adjust the county's claim for deferred taxes and interest payable
7 pursuant to this subsection."

8 Sec. 2. This act is effective upon ratification.