

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 105\*

Short Title: Raise Homestead Exemption.

(Public)

Sponsors: Representatives Smith; Bowman, Brawley, Church, DeVane, Gottovi, Hensley, Justus, Kuczmariski, J. Preston, Redwine, and Weatherly.

Referred to: Finance.

February 10, 1993

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE PROPERTY TAX HOMESTEAD EXEMPTION AMOUNT AND THE INCOME ELIGIBILITY THRESHOLD AND TO PROVIDE THAT SOCIAL SECURITY BENEFITS AND DISABILITY BENEFITS ARE NOT COUNTED IN DETERMINING THE TAXPAYER'S ELIGIBILITY FOR THE HOMESTEAD EXEMPTION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-277.1 reads as rewritten:

"§ 105-277.1. Property classified for taxation at reduced valuation.

(a) The following class of property is designated a special class of property under Article V, Sec. 2(2) of the North Carolina Constitution and shall be assessed for taxation as follows. The first ~~twelve thousand dollars (\$12,000)~~ fifteen thousand dollars (\$15,000) in assessed value of real property, or a mobile home, owned by a North Carolina resident and occupied by the owner as his permanent residence shall not be assessed for taxation if, as of January 1 of the year for which the benefit of this section is claimed:

- (1) The owner is either 65 years of age or older or is totally and permanently disabled; and
- (2) The owner's disposable income for the preceding calendar year did not exceed ~~eleven thousand dollars (\$11,000)~~; fifteen thousand dollars (\$15,000); and
- (3) The owner makes the required application.

For married applicants residing with their spouses, the disposable income of both spouses must be included, whether or not the property is in both names.

1 (b) Definitions. – When used in this section, the following definitions shall  
2 apply:

3 (1) An 'owner' of property means a person who holds legal or equitable  
4 title to the property, either individually or as a tenant by the entirety, a  
5 joint tenant, a tenant in common, a life estate or an estate for the life of  
6 another. Property owned and occupied by husband and wife as tenants  
7 by the entirety shall be entitled to the full benefit of this classification  
8 notwithstanding that only one of them meets the age or disability  
9 requirements herein provided. If the residence is a mobile home and is  
10 jointly owned by husband and wife, it shall be treated as property held  
11 by the entirety. When property is owned by two or more persons other  
12 than husband and wife and one or more of such owners qualifies for  
13 this classification, each qualifying owner shall be entitled to the full  
14 amount of the exclusion not to exceed his or her proportionate share of  
15 the valuation of the property. No part of an exclusion available to one  
16 co-owner may be claimed by any other co-owner and in no event shall  
17 the total exclusion allowed to a qualifying residence (including the  
18 household personal property therein) exceed ~~twelve thousand dollars~~  
19 ~~(\$12,000)~~ fifteen thousand dollars (\$15,000).

20 (2) 'Disposable income' means adjusted gross income as defined for North  
21 Carolina income tax purposes in G.S. 105-141.3 ~~in section 62 of the Code~~  
22 plus all other moneys received from every source but not including:

23 a. ~~other than gifts~~ Gifts or inheritances received from a spouse,  
24 lineal ancestors, or lineal descendants.

25 b. Benefits received under Title II of the Social Security Act.

26 c. Benefits received on account of total and permanent disability.

27 (2a) Repealed by Session Laws 1985 (Reg. Sess., 1986), c. 1982, s. 20.

28 (3) 'Permanent residence' means legal residence. It includes the dwelling,  
29 the dwelling site, not to exceed one acre, and related improvements.  
30 The dwelling may be a single family residence, a unit in a multi-family  
31 residential complex or a mobile home. Notwithstanding the occupancy  
32 requirements of this classification, an otherwise qualified applicant  
33 shall not lose the benefit of the exclusion because of a temporary  
34 absence from his or her permanent residence for reasons of health, or  
35 because of an extended absence while confined to a rest home or  
36 nursing home, so long as the residence is unoccupied or occupied by  
37 the applicant's spouse or other dependent.

38 (4) A 'totally and permanently disabled person' means one who has a  
39 physical or mental impairment which substantially precludes him from  
40 obtaining gainful employment and such impairment appears  
41 reasonably certain to continue without substantial improvement  
42 throughout his lifetime.

43 (c) Application. – Applications for the exclusions provided by this section are to  
44 be filed during the regular listing period, ~~but~~ but shall be accepted at any time up to and

1 through April 15 of the calendar year for which they are to be effective. When property  
2 is owned by two or more persons other than husband and wife and one or more of them  
3 qualifies for this exclusion, each such owner shall apply separately for his or her  
4 proportionate share of the exclusion.

5 (1) Elderly Applicants. – Persons 65 years of age or older may apply for  
6 this exclusion by entering the appropriate information on a form made  
7 available by the assessor under G.S. 105-282.1.

8 (2) Disabled Applicants. – Persons who are totally and permanently  
9 disabled may apply for this exclusion by (i) entering the appropriate  
10 information on a form made available by the assessor under G.S. 105-  
11 282.1 and (ii) furnishing acceptable proof of their disability. Such  
12 proof shall be in the form of a certificate from a physician licensed to  
13 practice medicine in North Carolina or from a governmental agency  
14 authorized to determine qualification for disability benefits. After a  
15 disabled applicant has qualified for this classification, he or she shall  
16 not be required to furnish an additional certificate unless the  
17 applicant's disability is reduced to the extent that the applicant could  
18 no longer be certified for the taxation at reduced valuation."

19 Sec. 2. G.S. 105-309(f) reads as rewritten:

20 "(f) The following information shall appear on each abstract, or on an information  
21 sheet distributed with the abstract. (The abstract or sheet must include the address and  
22 telephone number of the assessor below the notice required by this subsection):

23  
24 **'PROPERTY TAX RELIEF FOR ELDERLY AND**  
25 **PERMANENTLY DISABLED PERSONS.**

26  
27 North Carolina excludes from property taxes the first ~~twelve thousand dollars~~  
28 ~~(\$12,000)~~ fifteen thousand dollars (\$15,000) in assessed value of certain property owned  
29 by North Carolina residents aged 65 or older or totally and permanently disabled whose  
30 disposable income does not exceed ~~eleven thousand dollars (\$11,000)~~ fifteen thousand  
31 dollars (\$15,000). The exclusion covers real property, or a mobile home, occupied by  
32 the owner as his permanent residence. Disposable income includes all moneys received  
33 other than social security benefits, disability benefits due to total and permanent  
34 disability, and gifts or inheritances received from a spouse, lineal ancestors, or lineal  
35 descendants.

36 If you received this exclusion in (assessor insert previous year), you do not need to  
37 apply again unless you have changed your permanent residence. If you received the  
38 exclusion in (assessor insert previous year) and your disposable income in (assessor  
39 insert previous year) was above ~~eleven thousand dollars (\$11,000)~~ fifteen thousand dollars  
40 (\$15,000), you must notify the assessor. If you received the exclusion in (assessor insert  
41 previous year) because you were totally and permanently disabled and you are no longer  
42 totally and permanently disabled, you must notify the assessor. If the person receiving  
43 the exemption in (assessor insert previous year) has died, the person required by law to

1 list the property must notify the assessor. Failure to make any of the notices required by  
2 this paragraph before April 15 will result in penalties and interest.

3 If you did not receive the exclusion in (assessor insert previous year) but are now  
4 eligible, you may obtain a copy of an application from the assessor. It must be filed by  
5 April 15'."

6 Sec. 3. This act is effective for taxes collected for taxable years beginning on  
7 or after July 1, 1993. Notwithstanding the provisions of G.S. 105-282.1(a), an  
8 application for the benefit provided in this act for the 1993-94 tax year shall be  
9 considered timely if it is filed on or before September 1, 1993.