

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021**

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**SENATE BILL 829**

Short Title: Disabled Veteran Property Tax Exemption. (Public)

Sponsors: Senator deViere (Primary Sponsor).

Referred to: Rules and Operations of the Senate

May 27, 2022

1 A BILL TO BE ENTITLED  
2 AN ACT TO MODIFY PROPERTY TAX EXEMPTIONS FOR PERMANENTLY DISABLED  
3 VETERANS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Effective for taxes imposed for taxable years beginning on or after July  
6 1, 2023, G.S. 105-277.1C reads as rewritten:

7 "**§ 105-277.1C. Disabled veteran property tax homestead exclusion.**

8 (a) Classification. – A permanent residence owned and occupied by a qualifying owner  
9 is designated a special class of property under Article V, Section 2(2) of the North Carolina  
10 Constitution and is taxable in accordance with this section. The ~~first forty five thousand dollars~~  
11 ~~(\$45,000) of first one hundred thousand dollars (\$100,000) of~~ appraised value of the residence is  
12 excluded from taxation. A qualifying owner who receives an exclusion under this section may  
13 not receive other property tax relief.

14 (b) Definitions. – The following definitions apply in this section:

15 (1) Disabled veteran. – A veteran of any branch of the Armed Forces of the United  
16 States whose character of service at separation was honorable or under  
17 honorable conditions and who satisfies one of the following requirements:

18 a. As of January 1 preceding the taxable year for which the exclusion  
19 allowed by this section is claimed, the veteran had received benefits  
20 under 38 U.S.C. § 2101.

21 b. The veteran has received a certification by the United States  
22 Department of Veterans Affairs or another federal agency indicating  
23 that, as of January 1 preceding the taxable year for which the exclusion  
24 allowed by this section is claimed, he or she has a service-connected,  
25 permanent, and total disability.

26 c. The veteran is deceased and the United States Department of Veterans  
27 Affairs or another federal agency has certified that, as of January 1  
28 preceding the taxable year for which the exclusion allowed by this  
29 section is claimed, the veteran's death was the result of a  
30 service-connected condition.

31 (2) Repealed by Session Laws 2009-445, s. 22(c), effective for taxes imposed for  
32 taxable years beginning on or after July 1, 2009.

33 (2a) Hold harmless amount. – The appraised value of a property excluded from  
34 taxation under subsection (a) of this section, multiplied by the applicable local  
35 tax rate.

36 (3) Permanent residence. – Defined in G.S. 105-277.1.



1 (4) Property tax relief. – Defined in G.S. 105-277.1.

2 (4a) Qualifying owner. – An owner, as defined in G.S. 105-277.1, who is a North  
3 Carolina resident and one of the following:

4 a. A disabled veteran.

5 b. The surviving spouse of a disabled veteran who has not remarried.

6 (5), (6) Repealed by Session Laws 2009-445, s. 22(c), effective for taxes imposed for  
7 taxable years beginning on or after July 1, 2009.

8 (7) Service-connected. – Defined in 38 U.S.C. § 101.

9 (8) Total hold harmless amount. – The sum of the following:

10 a. The hold harmless amount for all property excluded from taxation  
11 under subsection (a) of this section in the county.

12 b. The hold harmless amount for all property excluded from taxation  
13 under subsection (a) of this section in the cities located in the county.

14 ...

15 (g) Reimbursement. – On or before September 1 of each year, each county tax collector  
16 shall notify the Secretary of Revenue, in a manner prescribed by the Secretary, of the county's  
17 total hold harmless amount. A county that fails to notify the Secretary of Revenue of its total hold  
18 harmless amount by the due date is barred from receiving a reimbursement under this subsection  
19 for that taxable year. On or before December 31 of each year, the Secretary of Revenue shall  
20 distribute to each county its respective total hold harmless amount.

21 Any funds received by a county that are attributable to a city within the county must be  
22 distributed to that respective city. Any funds received by a county or city because the county or  
23 city was collecting taxes for another unit of government or special district must be credited to the  
24 funds of that other unit or district in accordance with regulations issued by the Local Government  
25 Commission.

26 In order to pay for the reimbursement under this section and the cost to the Department of  
27 Revenue of administering the reimbursement, the Secretary of Revenue shall draw from  
28 collections received under Part 2 of Article 4 of this Chapter an amount equal to the  
29 reimbursement and the cost of administration."

30 **SECTION 2.** Effective for taxes imposed for taxable years beginning on or after July  
31 1, 2025, G.S. 105-277.1C(a), as rewritten by Section 1 of this act, reads as rewritten:

32 "(a) Classification. – A permanent residence owned and occupied by a qualifying owner  
33 is designated a special class of property under Article V, Section 2(2) of the North Carolina  
34 Constitution and is taxable in accordance with this section. ~~The first one hundred thousand dollars~~  
35 ~~(\$100,000)~~ first one hundred fifty thousand dollars (\$150,000) of appraised value of the residence  
36 is excluded from taxation. A qualifying owner who receives an exclusion under this section may  
37 not receive other property tax relief."

38 **SECTION 3.** Effective for taxes imposed for taxable years beginning on or after July  
39 1, 2027, G.S. 105-277.1C(a), as rewritten by Section 2 of this act, reads as rewritten:

40 "(a) Classification. – A permanent residence owned and occupied by a qualifying owner  
41 is designated a special class of property under Article V, Section 2(2) of the North Carolina  
42 Constitution and is taxable in accordance with this section. ~~The first one hundred fifty thousand~~  
43 ~~dollars (\$150,000)~~ appraised value of the residence is excluded from taxation. A qualifying  
44 owner who receives an exclusion under this section may not receive other property tax relief."

45 **SECTION 4.** Sections 1, 2, and 3 of this act are effective when they become law.  
46 The remainder of this act is effective when it becomes law.