



North Carolina Department of Revenue

Michael F. Easley
Governor

E. Norris Tolson
Secretary

August 23, 2001

Memorandum

To: County Assessors

From: Kirk F. Boone
Property Tax Division

Handwritten initials "KB" in blue ink, with a large flourish extending from the "B".

Re: State Privacy Act, House Bill 998, Session Law 2001-256
Homestead Exclusion & Certification of Disability Forms
Recommended State Abstract (2002 Business Listing Form)

Newly enacted Session Law 2001-256, titled "State Privacy Act", makes it unlawful for any local government agency to deny any right, benefit, or privilege provided by law because of such individual's refusal to disclose his social security account number. The Act further requires the local government agency that requests an individual to disclose a social security number to inform the individual whether that disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, and what uses will be made of it. We have met with members of the Revenue Section of the Attorney General's office to discuss the impact of this Act on the local tax office. It is the opinion of those members of the Attorney General's office that the State Privacy Act does not apply to the local tax office since there is an exception to the state privacy act if disclosure of the social security number is required or permitted by federal statute. There is a federal statute that permits the requirement of the social security number if it is to be used in the administration of a local tax. However, 5 USCS 552a, Section 7 of Pub. L. 93-579 (enclosed) mirrors the State Privacy Act, except the federal version does apply to local tax offices. This along with the new Homestead Exclusion limits will require changes to any forms that request the social security number.

Any form or document that requests the social security number from an individual must also inform that individual whether that disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, and what uses will be made of it. We suggest the following statement is added to the instructions or other appropriate area of any document that requests the social security number:

" The disclosure of the social security number is voluntary. This number is needed to establish the identification of individuals. The authority to require this number for the administration of a tax is given by United States Code Title 42, Section 405(c)(2)(C)(i) and N.C.G.S. 105-309."

Homestead Exclusion

Beginning next year, the income limit for the homestead exclusion will be raised from \$15,000 to \$18,000. For each year thereafter we will notify you of a new income limit which has been adjusted by a cost of living factor from Title II and XVI of the Social Security Act.

The amount of the exclusion has been changed from a flat \$20,000 to the greater of \$20,000 or fifty percent of the appraised value of the residence.

The application deadline has been changed from April 15 to June 1. Enclosed you will find an updated Homestead Exclusion Application and a Certification of Disability Form which serves as the required certificate under §105-277.1(c)(2).

A more comprehensive explanation of this and all other newly enacted statutes effecting property tax will be sent following the adjournment of the 2001 Session of the North Carolina General Assembly.

Updated State Recommended Abstract

Also enclosed is a new version of the recommended state abstract. The updated version is essentially the same as the previous version. The changes include the required statement regarding social security numbers as well as an updated explanation of a class 2 misdemeanor.

We hope this information is helpful. If this office can be of further assistance, please do not hesitate to contact us at (919) 733-7711.

report to the President and to the Congress on its findings pursuant to the study required to be made under subsection (b)(1) of this section not later than two years from the date on which all of the members of the Commission are appointed. The Commission shall cease to exist on September 30, 1977.

“(h)(1) Any member, officer, or employee of the Commission, who by virtue of his employment or official position, has possession of, or access to, agency records which contain individually identifiable information the disclosure of which is prohibited by this section, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

“(2) Any person who knowingly and willfully requests or obtains any record concerning an individual from the Commission under false pretenses shall be guilty of a misdemeanor and fined not more than \$5,000.”.

Guidelines and regulations for maintenance of privacy and protection of records of individuals. Act Dec. 31, 1974, P. L. 93-579, § 6, 88 Stat. 1909, provided: “The Office of Management and Budget shall—

“(1) develop guidelines and regulations for the use of agencies in implementing the provisions of section 552a of title 5, United States Code, as added by section 3 of this Act [this section]; and

“(2) provide continuing assistance to and oversight of the implementation of the provisions of such section by agencies.”.

Disclosure of social security number. Act Dec. 31, 1974, P. L. 93-579, § 7, 88 Stat. 1909, provided: “(a)(1) It shall be unlawful for any Federal, State or local government agency to deny to any individual any right, benefit, or privilege provided by law because of such individual's refusal to disclose his social security account number.

“(2) the provisions of paragraph (1) of this subsection shall not apply with respect to—

“(A) any disclosure which is required by Federal statute, or

“(B) the disclosure of a social security number to any Federal, State, or local agency maintaining a system of records in existence and operating before January 1, 1975, if such disclosure was required under statute or regulation adopted prior to such date to verify the identity of an individual.

“(b) Any Federal, State, or local government agency which requests an individual to disclose his social security account number shall inform that individual whether that disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, and what uses will be made of it.”.

Effective date of Act Dec. 31, 1974. Act Dec. 31, 1974, P. L. 93-579, § 8, 88 Stat. 1910 provided: “The provisions of this Act [enacting this section and provisions set out as notes under this section] shall be effective on and after the date of enactment [enacted Dec. 31, 1974], except that the amendments made by sections 3 and 4 [5 USCS § 552a;