



North Carolina Department of Revenue

James B. Hunt, Jr.
Governor

August 11, 2000

Muriel K. Offerman
Secretary

MEMORANDUM

TO: County Assessors and Tax Administrators

FROM: John C. Bailey, Director *JCB*
Property Tax Division

RE: 2000 Property Tax Legislation

We are enclosing a summary of the significant property tax legislation (having state wide application) enacted by the 2000 Session of the North Carolina General Assembly. The summary includes the bill number, purpose of the bill, and brief comments as to each ratified bill. We are also enclosing copies of the ratified bills.

If you do not serve as "tax collector", please make copies of this memorandum and summary available to the person holding that position in your county. In addition, please provide him/her with copies of any bill applicable to tax collection.

If you have any questions concerning any of this new legislation, please call our staff at (919) 733-7711.

2000 PROPERTY TAX LEGISLATION

Bills Enacted by the 2000 Session of the N.C. General Assembly

Ratified Senate Bills

S.B. 1076: AN ACT TO REPEAL THE PROPERTY TAX ON CERTAIN VEHICLES LEASED OR RENTED UNDER RETAIL SHORT-TERM LEASES OR RENTALS AND TO REPLACE THE TAX REVENUE WITH A LOCAL TAX ON GROSS RECEIPTS DERIVED FROM RETAIL SHORT-TERM LEASES OR RENTALS

This act creates new GS 105-275 (42) which exempts certain short-term lease or rental vehicles from property tax and allows the counties and cities to replace the lost revenue by adopting an ordinance levying a tax on the gross receipts derived from the rental or lease of the exempted vehicles.

This act became effective July 1, 2000.

A detailed explanation of this legislation was previously provided to each county.

S.B. 1252: AN ACT TO CREATE A TAX INCENTIVE FOR THE REDEVELOPMENT OF BROWNFIELDS PROPERTIES AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

This act adds GS 105-277.13 to designate certain improvements on brownfields properties as a special class of property under the North Carolina Constitution. Qualifying improvements placed on real property that is subject to a brownfields agreement entered into by the Department of Environment and Natural Resources and the owner of the land pursuant to G.S. 130A-310.32 are entitled to a partial exclusion for the first five taxable years beginning after completion of the improvement. Qualifying improvements will have the following percentages excluded from their appraised values: 90% for the first taxable year, 75% for the second year, 50% for the third year, 30% for the fourth year, and 10% for the fifth year.

The exclusion will be effective the later of July 1, 2000 or the date of the brownfields agreement.

Ratified House Bills

H.B. 133: AN ACT TO EXEMPT FROM PROPERTY TAX MODIFIED MOTOR VEHICLES OWNED BY DISABLED VETERANS WHO ARE ELIGIBLE FOR FEDERAL SPECIAL EQUIPMENT ALLOWANCES.

This act adds new subdivision (5a) to GS 105-275 to exempt disabled veteran owned motor vehicles that have been altered with special equipment to accommodate a service-connected disability.

The act is effective July 1, 2000.

H.B. 1573: AN ACT TO CLARIFY THE PROPERTY TAX TREATMENT OF A HEALTH CARE FACILITY UNDERTAKEN BY THE MEDICAL CARE COMMISSION PURSUANT TO THE HEALTH CARE FACILITIES FINANCE ACT AND TO EXTEND THE SUNSET ON THE PROPERTY TAX EXEMPTION FOR CONTINUING CARE RETIREMENT CENTERS.

This act amends GS 131A-21 to provide that improvements made to health care facilities that are financed with Medical Care Commission bonds are exempt from property taxes during the time the bonds or notes issued for the improvement are outstanding. The act provides that the exemption may not exceed the lesser of the principal amount of the bonds or the assessed value of the facility for ad valorem tax purposes. In the case of renovations the exemption is only for the part being renovated and in the case of an addition the exemption will apply only to the part being added.

This act becomes effective October 1, 2000 and applies to bonds or notes issued on or after that date.

The act also amends GS 105-278.6A to change the effective date of the repeal of that statute from July 1, 2000 to July 1, 2001. This amendment extends the exemption for qualifying retirement facilities for one more year in order for the general assembly to continue studying this matter and attempt to enact a law that will be fair and equitable to the taxpayers and taxing jurisdictions.

This portion of the act is effective July 1, 2000.