

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1285\*  
Committee Substitute Favorable 6/15/98

Short Title: Revaluation & Annex Tax Notice.

(Public)

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Sponsors:

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Referred to:

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May 18, 1998

A BILL TO BE ENTITLED

AN ACT TO REQUIRE LOCAL GOVERNMENTS TO PUBLICIZE THE REVENUE NEUTRAL TAX RATE IN THE YEARS WHEN THERE IS A GENERAL REVALUATION OF REAL PROPERTY, TO NOTIFY PERSONS SUBJECT TO ANNEXATION OF THE PROJECTED CHANGE TO THEIR PROPERTY TAX LIABILITY, AND TO REQUIRE TAX BILLS TO INCLUDE THE DATES OF THE TAX YEAR.

The General Assembly of North Carolina enacts:

Section 1. G.S. 159-11 reads as rewritten:

**"§ 159-11. Preparation and submission of budget and budget message.**

(a) Upon receipt of the budget requests and revenue estimates and the financial information supplied by the finance officer and department heads, the budget officer shall prepare a budget for consideration by the governing board in such form and detail as may have been prescribed by the budget officer or the governing board. The budget shall comply in all respects with the limitations imposed by G.S. 159-13(b), and unless the governing board ~~shall have~~ has authorized or requested submission of an unbalanced budget as provided in subsection (c) of this section, the budget shall be balanced.

(b) The budget, together with a budget message, shall be submitted to the governing board not later than June 1. The budget and budget message should, but need

1 not, be submitted at a formal meeting of the board. The budget message should contain a  
2 concise explanation of the governmental goals fixed by the budget for the budget year,  
3 should explain important features of the activities anticipated in the budget, should set  
4 forth the reasons for stated changes from the previous year in program goals, programs,  
5 and appropriation levels, and should explain any major changes in fiscal policy.

6 (c) The governing board may authorize or request the budget officer to submit a  
7 budget containing recommended appropriations in excess of estimated revenues. If this is  
8 done, the budget officer shall present the appropriations recommendations in a manner  
9 that will reveal for the governing board the nature of the activities supported by the  
10 expenditures that exceed estimated revenues.

11 (d) The budget officer shall include in the budget a proposed financial plan for  
12 each intragovernmental service fund, as required by G.S. 159-13.1, and information  
13 concerning capital projects and grant projects authorized or to be authorized by project  
14 ordinances, as required by G.S. 159-13.2.

15 (e) In each year in which a general reappraisal of real property has been  
16 conducted, the budget shall contain, for comparison purposes, a statement of the revenue  
17 neutral property tax rate for the budget. The revenue neutral property tax rate is the rate  
18 that would produce the same revenue for the next fiscal year that is expected for the  
19 current fiscal year, plus any additional amount based on the average total increase in the  
20 assessed value of all property in the county due to improvements during the prior three  
21 years."

22 Section 2. G.S. 160A-37(b) reads as rewritten:

23 "(b) Notice of Public Hearing. – The notice of public hearing shall:

- 24 (1) Fix the date, hour and place of the public hearing.  
25 (2) Describe clearly the boundaries of the area under consideration, and  
26 include a legible map of the area.  
27 (3) State that the report required in G.S. 160A-35 will be available at the  
28 office of the municipal clerk at least 30 days prior to the date of the  
29 public hearing.  
30 (4) Include a clear and easy to understand explanation of the effect the  
31 annexation will have on the owner's property tax liability, including the  
32 date of assessment and the beginning and ending dates of the first tax  
33 year during which the owner will be subject to municipal property taxes.

34 Such notice shall be given by publication once a week for at least two successive  
35 weeks prior to the date of the hearing in a newspaper having general circulation in the  
36 municipality and, in addition thereto, if the area to be annexed lies in a county containing  
37 less than fifty percent (50%) of the land area of the municipality, in a newspaper having  
38 general circulation in the area of proposed annexation. The period from the date of the  
39 first publication to the date of the last publication, both dates inclusive, shall be not less  
40 than eight days including Sundays, and the date of the last publication shall be not more  
41 than seven days preceding the date of public hearing. If there be no such newspaper, the  
42 municipality shall post the notice in at least five public places within the municipality and  
43 at least five public places in the area to be annexed for 30 days prior to the date of public

1 hearing. In addition, notice shall be mailed at least four weeks prior to date of the hearing  
2 by first class mail, postage prepaid to the owners as shown by the tax records of the  
3 county of all freehold interests in real property located within the area to be annexed. The  
4 person or persons mailing such notices shall certify to the governing board that fact, and  
5 such certificate shall become a part of the record of the annexation proceeding and shall  
6 be deemed conclusive in the absence of fraud. If the notice is returned to the city by the  
7 postal service by the tenth day before the hearing, a copy of the notice shall be sent by  
8 certified mail, return receipt requested, at least seven days before the hearing. Failure to  
9 comply with the mailing requirement of this subsection shall not invalidate the  
10 annexation unless it is shown that the requirements were not substantially complied with.

11 If the governing board by resolution finds that the tax records are not adequate to  
12 identify the owners of some or all of the parcels of real property within the area it may in  
13 lieu of the mail procedure as to those parcels where the owners could not be so identified,  
14 post the notice at least 30 days prior to the date of public hearing on all buildings on such  
15 parcels, and in at least five other places within the area to be annexed. In any case where  
16 notices are placed on property, the person placing the notice shall certify that fact to the  
17 governing board."

18 Section 3. G.S. 160A-49(b) reads as rewritten:

19 "(b) Notice of Public Hearing. – The notice of public hearing shall:

- 20 (1) Fix the date, hour and place of the public hearing.
- 21 (2) Describe clearly the boundaries of the area under consideration, and  
22 include a legible map of the area.
- 23 (3) State that the report required in G.S. 160A-47 will be available at the  
24 office of the municipal clerk at least 30 days prior to the date of the  
25 public hearing.
- 26 (4) Include a clear and easy to understand explanation of the effect the  
27 annexation will have on the owner's property tax liability, including the  
28 date of assessment and the beginning and ending dates of the first tax  
29 year during which the owner will be subject to municipal property taxes.

30 Such notice shall be given by publication once a week for at least two successive  
31 weeks prior to the date of the hearing in a newspaper having general circulation in the  
32 municipality and, in addition thereto, if the area to be annexed lies in a county containing  
33 less than fifty percent (50%) of the land area of the municipality, in a newspaper having  
34 general circulation in the area of proposed annexation. The period from the date of the  
35 first publication to the date of the last publication, both dates inclusive, shall be not less  
36 than eight days including Sundays, and the date of the last publication shall be not more  
37 than seven days preceding the date of public hearing. If there be no such newspaper, the  
38 municipality shall post the notice in at least five public places within the municipality and  
39 at least five public places in the area to be annexed for 30 days prior to the date of public  
40 hearing. In addition, notice shall be mailed at least four weeks prior to date of the hearing  
41 by first class mail, postage prepaid to the owners as shown by the tax records of the  
42 county of all freehold interests in real property located within the area to be annexed. The  
43 person or persons mailing such notices shall certify to the governing board that fact, and

1 such certificate shall become a part of the record of the annexation proceeding and shall  
2 be deemed conclusive in the absence of fraud. If the notice is returned to the city by the  
3 postal service by the tenth day before the hearing, a copy of the notice shall be sent by  
4 certified mail, return receipt requested, at least seven days before the hearing. Failure to  
5 comply with the mailing requirements of this subsection shall not invalidate the  
6 annexation unless it is shown that the requirements were not substantially complied with.  
7 If the governing board by resolution finds that the tax records are not adequate to identify  
8 the owners of some or all of the parcels of real property within the area it may in lieu of  
9 the mail procedure as to those parcels where the owners could not be so identified, post  
10 the notice at least 30 days prior to the date of public hearing on all buildings on such  
11 parcels, and in at least five other places within the area to be annexed. In any case where  
12 notices are placed on property, the person placing the notices shall certify that fact to the  
13 governing board."

14 Section 4. G.S. 105-350 reads as rewritten:

15 **"§ 105-350. General duties of tax collectors.**

16 It shall be the duty of each tax collector:

- 17 (1) To employ all lawful means to collect all property, dog, license,  
18 privilege, and franchise taxes with which he is charged by the governing  
19 body.
- 20 (2) To give such bond as may be required of him by the governing body  
21 under the provisions of G.S. 105-349.
- 22 (3) To perform such duties in connection with the preparation of the tax  
23 records and tax receipts as the governing body may direct under the  
24 provisions of G.S. 105-319 and 105-320.
- 25 (4) To keep adequate records of all collections he makes.
- 26 (5) To account for all moneys coming into his hands in such form and detail  
27 as may be required by the chief accounting officer of the taxing unit.
- 28 (6) To make settlement at the times required by G.S. 105-373 and at any  
29 other time the governing body may require him to do so.
- 30 (7) To submit to the governing body at each of its regular meetings a report  
31 of the amount he has collected on each year's taxes with which he is  
32 charged, the amount remaining uncollected, and the steps he is taking to  
33 encourage or enforce payment of uncollected taxes.
- 34 (8) To send bills or notices of taxes due to taxpayers if instructed to do so  
35 by the governing body. The bills or notices shall include the beginning  
36 and ending dates of the tax year for which the taxes are due.
- 37 (9) To visit delinquent taxpayers to encourage payment of taxes if  
38 instructed to do so by the governing body."

39 Section 5. This act becomes effective December 1, 1998.