

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

FILED SENATE
May 26, 2022
S.B. 821
PRINCIPAL CLERK

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SENATE BILL DRS35388-NIF-3C

Short Title: Disabled Veterans Property Tax Waiver. (Public)

Sponsors: Senator Crawford (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO FULLY WAIVE PROPERTY TAXES FOR PERMANENTLY DISABLED
3 VETERANS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 105-277.1C reads as rewritten:

6 "§ 105-277.1C. Disabled veteran property tax homestead exclusion.

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

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

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

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

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

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

29 (2) Repealed by Session Laws 2009-445, s. 22(c), effective for taxes imposed for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

31 (2a) Hold harmless amount. – The appraised value of a property excluded from
32 taxation under subsection (a) of this section, multiplied by the applicable local
33 tax rate.

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

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



- 1 (4a) Qualifying owner. – An owner, as defined in G.S. 105-277.1, who is a North
- 2 Carolina resident and one of the following:
- 3 a. A disabled veteran.
- 4 b. The surviving spouse of a disabled veteran who has not remarried.

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

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

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

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

13 ...

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

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

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

29 **SECTION 2.** This act is effective for taxes imposed for taxable years beginning on
30 or after July 1, 2022.