

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 428

Short Title: Volunteer Firefighters Property Tax Exclusion. (Public)

Sponsors: Representative Jeffers.

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Rules, Calendar, and Operations of the House

March 22, 2023

1 A BILL TO BE ENTITLED  
2 AN ACT TO EXPAND PROPERTY TAX HOMESTEAD EXCLUSION RELIEF TO  
3 VOLUNTEER FIREFIGHTERS.

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 and volunteer firefighter property tax homestead**  
7 **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 appraised value of the residence is excluded from taxation. A qualifying owner who  
12 receives an exclusion under this section may not receive other property tax relief.

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

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

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

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

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

30 (2) Repealed by Session Laws 2009-445, s. 22(c), effective for taxes imposed for  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

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

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



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- 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.~~ veteran or the  
5 ~~The surviving spouse of a disabled veteran who has not remarried.~~  
6 c. A volunteer firefighter or the surviving spouse of a volunteer  
7 firefighter who has not remarried.
- 8 (5), (6) Repealed by Session Laws 2009-445, s. 22(c), effective for taxes imposed for  
9 taxable years beginning on or after July 1, 2009.
- 10 (7) Service-connected. – Defined in 38 U.S.C. § 101.
- 11 (8) Total hold harmless amount. – The sum of the following:
- 12 a. The hold harmless amount for all property excluded from taxation for  
13 volunteer firefighters under subsection (a) of this section in the county.
- 14 b. The hold harmless amount for all property excluded from taxation for  
15 volunteer firefighters under subsection (a) of this section in the cities  
16 located in the county.
- 17 (9) Volunteer firefighter. – A member of a volunteer fire department appearing  
18 on the certified roster of eligible firefighters submitted to the North Carolina  
19 State Firefighters' Association under G.S. 58-86-25.
- 20 (c) Temporary Absence. – An owner does not lose the benefit of this exclusion because  
21 of a temporary absence from his or her permanent residence for reasons of health or because of  
22 an extended absence while confined to a rest home or nursing home, so long as the residence is  
23 unoccupied or occupied by the owner's spouse or other dependent.
- 24 (d) Ownership by Spouses – A permanent residence owned and occupied by husband and  
25 wife is entitled to the full benefit of this exclusion notwithstanding that only one of them meets  
26 the requirements of this section.
- 27 (e) Other Multiple Owners. – This subsection applies to co-owners who are not husband  
28 and wife. Each co-owner of a permanent residence must apply separately for the exclusion  
29 allowed under this section.
- 30 When one or more co-owners of a permanent residence qualify for the exclusion allowed  
31 under this section and none of the co-owners qualifies for the exclusion allowed under  
32 G.S. 105-277.1, each co-owner is entitled to the full amount of the exclusion allowed under this  
33 section. The exclusion allowed to one co-owner may not exceed the co-owner's proportionate  
34 share of the valuation of the property, and the amount of the exclusion allowed to all the  
35 co-owners may not exceed the exclusion allowed under this section.
- 36 When one or more co-owners of a permanent residence qualify for the exclusion allowed  
37 under this section and one or more of the co-owners qualify for the exclusion allowed under  
38 G.S. 105-277.1, each co-owner who qualifies for the exclusion allowed under this section is  
39 entitled to the full amount of the exclusion. The exclusion allowed to one co-owner may not  
40 exceed the co-owner's proportionate share of the valuation of the property, and the amount of the  
41 exclusion allowed to all the co-owners may not exceed the greater of the exclusion allowed under  
42 this section and the exclusion allowed under G.S. 105-277.1.
- 43 (f) Application. – An application for the exclusion allowed under this section should be  
44 filed during the regular listing period, but may be filed and must be accepted at any time up to  
45 and through June 1 preceding the tax year for which the exclusion is claimed. An applicant for  
46 an exclusion under this section must establish eligibility for the ~~exclusion~~ exclusion. An applicant  
47 who is a disabled veteran may establish eligibility by providing a copy of the veteran's disability  
48 certification or evidence of benefits received under 38 U.S.C. § 2101.
- 49 (g) Reimbursement. – On or before September 1 of each year, each county tax collector  
50 shall notify the Secretary of Revenue, in a manner prescribed by the Secretary, of the county's  
51 total hold harmless amount. A county that fails to notify the Secretary of Revenue of its total hold

1 harmless amount by the due date is barred from receiving a reimbursement under this subsection  
2 for that taxable year. On or before December 31 of each year, the Secretary of Revenue shall  
3 distribute to each county its respective total hold harmless amount.

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

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

13 **SECTION 2.** This act is effective for taxes imposed for taxable years beginning on  
14 or after July 1, 2023.