

FISCAL NOTE TRANSMITTAL FORM

BILL NUMBER: SB 57

SHORT TITLE: Property Tax Relief for Elderly

SPONSOR(S): Finance Committee Substitute (2)

The attached fiscal note on the bill(s) named above is being transmitted to:

Chief Sponsor, House
Chief Sponsor, Senate **Sen. Block**
Fiscal Note Requested By Sen. Royall

Chairman of the House Committee on

Chairman of the House Subcommittee on

Chairman of the Senate Committee on

Chairman of the Senate Subcommittee on

Speaker of the House, Daniel T. Blue, Jr.
President Pro Tempore, Henson Barnes
Chairman of the House Base Budget Appropriations Committee
Representative David Diamont
Chairman of the House Expansion Budget Appropriations Committee
Representative Martin Nesbitt
Chairman of the Senate Appropriations Committee
Senator Marc Basnight
Chairman of the Senate Ways and Means Committee
Senator Kenneth C. Royall, Jr.
Chairman of the Senate Base Budget Committee
Senator Aaron W. Plyler

House Principal Clerks Office
Senate Principal Clerks Office

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

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SHORT TITLE: Property Tax Relief for Elderly

SPONSOR(S): Finance Committee Substitute (2)

FISCAL IMPACT:

Expenditures:	Increase ()	Decrease ()
Revenues:	Increase ()	Decrease ()
No Impact ()		
No Estimate Available (X)		

FUND AFFECTED: **General Fund ()** **Highway Fund ()** **Local Fund (X)**
 Other Fund ()

BILL SUMMARY:The proposed legislation provides eligible taxpayers with two forms of property tax relief: (1) homestead exclusion and (2) property tax deferral. The bill establishes the same eligibility requirements for a property tax deferral as those requirements established for the homestead exemption. During the listing period, a qualified owner can apply for one of the two types of property tax relief.

Homestead Exemption

The proposed legislation does not change any existing eligibility requirements in the Homestead Exemption Act.

Property Tax Deferral

A qualified taxpayer can elect to defer payment of all or a part of the future increases in the amount of the property tax levied so long as: (1) the property is subject to a lien that, pursuant to federal requirements, prohibits the deferral.

(2) the total amount of the outstanding liens on the property exceeds 85% of the fair market value of the property.

EFFECTIVE DATE: Effective for taxes imposed for taxable years beginning on or after July 1, 1993.

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Counties and cities that levy a property tax.

FISCAL IMPACT

	Estimate				
	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>
	93-94	94-95	95-96	96-97	97-98
EXPENDITURES					
TOTAL EXPENDITURES					

STATE FUNDS

LOCAL FUNDS

SB 57 impact No Estimate Available (See Technical Considerations)

OTHER FUNDS

**RECEIPTS/FEES
POSITIONS:**

ASSUMPTIONS AND METHODOLOGY:

SOURCES OF DATA: N.C. Department of Revenue

TECHNICAL CONSIDERATIONS:

The fiscal effects associated with the property tax deferral is not expected to be very large. It would be expected that given a choice between an exemption and deferral the exemption would be preferred.

FISCAL RESEARCH DIVISION

733-4910

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APPROVED BY: Tom L. Covington (7/21/92)

DATE: July 8, 1992

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