

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 1428

Short Title: Local Option Transfer Tax.

(Public)

Sponsors: Representative Luebke.

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

May 9, 2001

A BILL TO BE ENTITLED

AN ACT TO EXTEND THE LOCAL OPTION LAND TRANSFER TAX LAW TO
ALL COUNTIES.

The General Assembly of North Carolina enacts:

SECTION 1. Subchapter VIII of Chapter 105 of the General Statutes is amended by adding a new Article to read:

"Article 44.

"Local Government Land Transfer Tax.

"§ 105-515. Short title.

This Article is the Local Government Land Transfer Tax Act.

"§ 105-516. Authorization.

(a) Levy. – The board of commissioners of the county may, by resolution, levy a local land transfer tax on instruments conveying interests in real property located in the county. Before adopting a resolution under this section, the board of commissioners must give at least 10 days' public notice of its intent to adopt the resolution and must hold a public hearing on the issue of adopting the resolution. The levy of the tax may become effective only on the first day of a calendar month set in the resolution levying the tax, which may not be earlier than the first day of the second succeeding calendar month after the date the resolution is adopted.

(b) Rate. – The rate of tax, when added to the rate of any local land transfer tax the county levies under a local act, may not exceed one percent (1%). The tax applies to the consideration or value, whichever is greater, of the interest conveyed, including the value of any lien or encumbrance remaining on the property at the time of sale.

"§ 105-517. Administration.

(a) Resolution. – The board of commissioners of a county must, upon adoption of a resolution levying a tax under this Article, immediately deliver a certified copy of the resolution to the register of deeds of the county. Upon receipt of this document, the register of deeds shall administer the tax in the county as provided in this Article.

1 **(b) Scope.** – A tax levied under this Article does not apply to a transfer exempt
2 pursuant to G.S. 105-228.28 or G.S. 105-228.29 from the tax levied by Article 8E of
3 this Chapter. In addition, the tax does not apply to the first one hundred thousand dollars
4 (\$100,000) in consideration or value, whichever is greater, of the interest conveyed.

5 The tax is in addition to the tax levied by Article 8E of this Chapter. A tax levied
6 under this Article applies to transfers of interests in real property located within the
7 county. If the property is located in two or more counties, a transfer of an interest in the
8 property is taxable only by the county in which the greater part of the property, with
9 respect to value, lies.

10 **(c) Administration.** – A tax levied under this Article is payable by the transferor
11 of the interest. Except as otherwise provided in this Article, the provisions of G.S.
12 105-228.31 through G.S. 105-228.36 apply to a tax levied under this Article. The county
13 must provide metering or similar equipment for the collection of the tax in lieu of the
14 use of tax stamps.

15 **(d) Repeal or Reduction.** – A taxing county may, by resolution, repeal or reduce
16 the rate of a tax levied under this Article. Repeal or reduction of the tax must become
17 effective on the first day of a month and may not become effective until the end of the
18 fiscal year in which the repeal or reduction resolution was adopted. Repeal of a land
19 transfer tax, or reduction of its rate, under this Article does not affect a liability for a tax
20 that attached before the effective date of the repeal or reduction, nor does it affect a
21 right to a refund of a tax that accrued before the effective date of the repeal or
22 reduction."

23 **SECTION 2.** This act is effective when it becomes law.