

FAILED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 259

AMENDMENT NO. A17
(to be filled in by
Principal Clerk)

H259-AND-17 [v.1]

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Amends Title [NO]
Fourth Edition

Date _____, 2023

Senator Applewhite

1 moves to amend the bill on page 278, lines 49-50, by inserting between the lines the following:
2 **"REPORTING REQUIREMENT FOR PISGAH LEGAL SERVICES**

3 **SECTION 16.10.(a)** No later than February 1 of each year, Pisgah Legal Services
4 (Pisgah) shall report to the Joint Legislative Oversight Committee on Justice and Public Safety,
5 at a minimum, all of the following:

- 6 (1) An accounting of all State funds utilized by Pisgah for its Veterans Law
7 Project during the prior year.
- 8 (2) The number of individuals that received services from Pisgah as a part of its
9 Veterans Law Project during the prior year.
- 10 (3) The types of services performed by Pisgah during the prior year as a part of
11 its Veterans Law Project and the counties in which those services were
12 performed.

13 **SECTION 16.10.(b)** Notwithstanding any provision of the Committee Report
14 described in Section 43.2 of this act to the contrary, the funds appropriated by this act to the
15 Opportunity Scholarship Grant Fund Reserve shall be reduced by one hundred fifty thousand
16 dollars (\$150,000) in recurring funds in the 2023-2024 fiscal year, and there is appropriated from
17 the General Fund to the Administrative Office of the Courts the sum of one hundred fifty
18 thousand dollars (\$150,000) in recurring funds for the 2023-2024 fiscal year to be allocated as a
19 grant to Pisgah Legal Services, a North Carolina nonprofit corporation, for the Veterans Law
20 Project to assist veterans with legal needs and obtaining federal benefits and accessing health
21 care.

22 **SECTION 16.10.(c)** Subsection (b) of this section becomes effective July 1, 2023.
23 The remainder of this section is effective when it becomes law."; and

24
25 moves to amend the bill on page 323, lines 49-50, by inserting between the lines the following:
26 **"HOMES FOR HEROES**

27 **SECTION 29.4.(a)** As used in this section, the following definitions apply:

- 28 (1) Active duty member. – As defined in G.S. 58-58-335(1).
- 29 (2) Emergency medical services personnel. – As defined in G.S. 131E-155.
- 30 (3) Firefighter. – As defined in G.S. 58-84-5.
- 31 (4) First-time homebuyer. – An individual who meets all of the following criteria:
32 a. Is purchasing the subject residential property.



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- 1 b. Will reside in the subject residential property as a principal residence.
2 c. Has had no ownership interest, sole or joint, in a residential property
3 during the three-year period preceding the date of the purchase of the
4 subject residential property.
5 (5) Law enforcement officer. – An individual employed by the State or a local
6 government in this State as a sheriff, deputy sheriff, police officer, or member
7 of the State Highway Patrol.
8 (6) Public servant. – An active duty member or veteran, or a law enforcement
9 officer, teacher, firefighter, or emergency medical services personnel
10 employed in this State.
11 (7) Teacher. – An individual whose major responsibility is to either teach or
12 directly supervise teaching, as classified by the State Board of Education, in a
13 public school unit, as that term is defined in G.S. 115C-5.
14 (8) Veteran. – As defined in G.S. 122C-465(3).

15 **SECTION 29.4.(b)** The Housing Finance Agency (Agency) shall establish a
16 program operating under the Homeownership Assistance Fund, authorized under G.S. 122A-5.7,
17 that provides assistance to first-time homebuyers that are employed full-time as public servants
18 in this State. The Agency shall provide, in the form of reimbursement or direct payment, monies
19 to be used for down payment assistance and to offset mortgage insurance premiums charged to
20 program participants. First-time homebuyers shall be limited to the lesser of the sum of
21 twenty-five thousand dollars (\$25,000) or ten percent (10%) of the purchase price for down
22 payment assistance, mortgage insurance premium assistance, and closing costs. The Agency may
23 provide for mortgage insurance payment assistance at least monthly, but for no longer than 60
24 months for any single first-time homebuyer.

25 **SECTION 29.4.(c)** The Agency is hereby empowered to adopt, modify, or repeal
26 rules and regulations governing the provision of down payment assistance and mortgage
27 insurance assistance provided pursuant to this section.

28 **SECTION 29.4.(d)** Notwithstanding any provision of the Committee Report
29 described in Section 43.2 of this act to the contrary, the funds appropriated by this act to the
30 Opportunity Scholarship Grant Fund Reserve shall be reduced by two hundred million dollars
31 (\$200,000,000) in recurring funds in the 2023-2024 fiscal year, and there is appropriated from
32 the General Fund to the Homeownership Assistance Fund, authorized under G.S. 122A-5.7, the
33 sum of two hundred million dollars (\$200,000,000) in recurring funds for the 2023-2024 fiscal
34 year to be used for the purposes provided in this act."; and
35

36 on page 378, lines 44-45, by inserting between the lines the following:

37 "**ESTABLISH THE FAMILIES AND VETERANS CAREGIVER TAX CREDIT.**

38 **SECTION 42.5A.(a)** Part 2 of Article 4 of Subchapter I of Chapter 105 of the
39 General Statutes is amended by adding a new section to read:

40 "**§ 105-153.11. Credit for adult dependents.**

41 (a) Credit. – A taxpayer who (i) is allowed an exemption for a qualifying relative pursuant
42 to section 152 of the Code and (ii) has an adjusted gross income less than the amount listed in
43 the table below is allowed a credit under this section against the tax imposed by this Part for each

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1 qualifying relative for whom the taxpayer is allowed the federal exemption. The amount of the
2 credit is equal to three thousand dollars (\$3,000) if the qualifying relative is a veteran of the
3 Armed Forces of the United States and is one thousand five hundred dollars (\$1,500) for any
4 other qualifying relative. The applicable adjusted gross income limit for a taxpayer is as follows:

<u>Filing Status</u>	<u>AGI</u>
<u>Married, filing jointly/surviving spouse</u>	<u>\$150,000</u>
<u>Head of Household</u>	<u>\$112,500</u>
<u>Single</u>	<u>\$75,000</u>
<u>Married, filing separately</u>	<u>\$75,000.</u>

5
6
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9
10 (b) Limitations. – A nonresident or part-year resident who claims the credit allowed by
11 this section shall reduce the amount of the credit by multiplying it by the fraction calculated under
12 G.S. 105-153.4. The credit allowed under this section may not exceed the amount of tax imposed
13 by this Part for the taxable year reduced by the sum of all credits allowable, except payments of
14 tax made by or on behalf of the taxpayer."

15 **SECTION 42.5A.(b)** This act is effective for taxable years beginning on or after
16 January 1, 2023."; and

17
18 on page 388, lines 23-24, by inserting between the lines the following:

19 **"INCREASE THE PROPERTY TAX HOMESTEAD EXCLUSION AMOUNT FOR**
20 **DISABLED VETERANS, TO REIMBURSE LOCAL GOVERNMENTS FOR THEIR**
21 **RESULTING REVENUE LOSS, AND TO ALLOW DISABLED VETERANS TO**
22 **PREQUALIFY FOR THE DISABLED VETERAN PROPERTY TAX HOMESTEAD**
23 **EXCLUSION.**

24 **SECTION 42.20.(a)** Effective for taxes imposed for taxable years beginning on or
25 after July 1, 2024, G.S. 105-277.1C reads as rewritten:

26 **"§ 105-277.1C. Disabled veteran property tax homestead exclusion.**

27 (a) Classification. – A permanent residence owned and occupied by a qualifying owner
28 is designated a special class of property under Article V, Section 2(2) of the North Carolina
29 Constitution and is taxable in accordance with this section. The ~~first forty five thousand dollars~~
30 ~~(\$45,000) of first one hundred thousand dollars (\$100,000) of~~ appraised value of the residence is
31 excluded from taxation. A qualifying owner who receives an exclusion under this section may
32 not receive other property tax relief.

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

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

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

40 b. The veteran has received a certification by the United States
41 Department of Veterans Affairs or another federal agency indicating
42 that, as of January 1 preceding the taxable year for which the exclusion

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- 1 allowed by this section is claimed, he or she has a service-connected,
2 permanent, and total disability.
- 3 c. The veteran is deceased and the United States Department of Veterans
4 Affairs or another federal agency has certified that, as of January 1
5 preceding the taxable year for which the exclusion allowed by this
6 section is claimed, the veteran's death was the result of a
7 service-connected condition.
- 8 (2) 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 (2a) Hold harmless amount. – The appraised value of a property excluded from
11 taxation under subsection (a) of this section, multiplied by the applicable local
12 tax rate.
- 13 (3) Permanent residence. – Defined in G.S. 105-277.1.
- 14 (4) Property tax relief. – Defined in G.S. 105-277.1.
- 15 (4a) Qualifying owner. – An owner, as defined in G.S. 105-277.1, who is a North
16 Carolina resident and one of the following:
- 17 a. A disabled veteran.
- 18 b. The surviving spouse of a disabled veteran who has not remarried.
- 19 (5), (6) Repealed by Session Laws 2009-445, s. 22(c), effective for taxes imposed for
20 taxable years beginning on or after July 1, 2009.
- 21 (7) Service-connected. – Defined in 38 U.S.C. § 101.
- 22 (8) Total hold harmless amount. – The sum of the following:
- 23 a. The hold harmless amount for all property excluded from taxation
24 under subsection (a) of this section in the county.
- 25 b. The hold harmless amount for all property excluded from taxation
26 under subsection (a) of this section in the cities located in the county.
- 27 ...
- 28 (f) Application. – An application for the exclusion allowed under this section should be
29 filed during the regular listing period, but may be filed and must be accepted at any time up to
30 and through June 1 preceding the tax year for which the exclusion is claimed. An applicant for
31 an exclusion under this section must establish eligibility for the exclusion by providing a copy of
32 the veteran's disability certification or evidence of benefits received under 38 U.S.C. § 2101. An
33 assessor may accept the prequalification notice under subsection (h) of this section to establish
34 eligibility for the exclusion provided in this section in lieu of a veteran's disability certification
35 or evidence of benefits received under 38 U.S.C. § 2101.
- 36 (g) Reimbursement. – On or before September 1 of each year, each county tax collector
37 shall notify the Secretary of Revenue, in a manner prescribed by the Secretary, of the county's
38 total hold harmless amount. A county that fails to notify the Secretary of Revenue of its total hold
39 harmless amount by the due date is barred from receiving a reimbursement under this subsection
40 for that taxable year. On or before December 31 of each year, the Secretary of Revenue shall
41 distribute to each county its respective total hold harmless amount.
- 42 Any funds received by a county that are attributable to a city within the county must be
43 distributed to that respective city. Any funds received by a county or city because the county or

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1 city was collecting taxes for another unit of government or special district must be credited to the
2 funds of that other unit or district in accordance with regulations issued by the Local Government
3 Commission.

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

8 (h) Prequalification. – A disabled veteran or the surviving spouse of a disabled veteran
9 who has not remarried may apply for prequalification of the property tax relief provided by this
10 section notwithstanding that the disabled veteran or the surviving spouse of a disabled veteran
11 who has not remarried is not an owner of a permanent residence at the time that the application
12 for prequalification is submitted. It is the intent of the General Assembly to allow taxpayers and
13 lenders to determine, in advance of the purchase of a primary residence, the availability of the
14 tax benefit provided by this section in order to facilitate omitting exempted amounts from
15 determinations of payment calculations. An application for prequalification under this subsection
16 may be filed at any time, must be submitted on a form approved by the Department, and must be
17 accompanied by a copy of the veteran's disability certification or evidence of benefits received
18 under 38 U.S.C. § 2101. Application forms under this subsection must be made available by the
19 assessor. Upon receipt of an application under this subsection, the assessor of the county in which
20 the application is filed must notify the applicant of the applicant's qualification for eligibility for
21 property tax relief under this section within 30 days. Upon purchasing a permanent residence, an
22 applicant who has received prequalification under this subsection must apply for the property tax
23 relief provided by this section as required under subsection (f) of this section."

24 **SECTION 42.20.(b)** Effective for taxes imposed for taxable years beginning on or
25 after July 1, 2026, G.S. 105-277.1C(a), as rewritten by Section 1(a) of this act, reads as rewritten:

26 "(a) Classification. – A permanent residence owned and occupied by a qualifying owner
27 is designated a special class of property under Article V, Section 2(2) of the North Carolina
28 Constitution and is taxable in accordance with this section. The ~~first one hundred thousand dollars~~
29 ~~(\$100,000)~~ first one hundred fifty thousand dollars (\$150,000) of appraised value of the residence
30 is excluded from taxation. A qualifying owner who receives an exclusion under this section may
31 not receive other property tax relief."

32 **SECTION 42.20.(c)** Effective for taxes imposed for taxable years beginning on or
33 after July 1, 2028, G.S. 105-277.1C(a), as rewritten by Section 1(b) of this act, reads as rewritten:

34 "(a) Classification. – A permanent residence owned and occupied by a qualifying owner
35 is designated a special class of property under Article V, Section 2(2) of the North Carolina
36 Constitution and is taxable in accordance with this section. The ~~first one hundred fifty thousand~~
37 ~~dollars (\$150,000)~~ first two hundred thousand dollars (\$200,000) of appraised value of the
38 residence is excluded from taxation. A qualifying owner who receives an exclusion under this
39 section may not receive other property tax relief."

40 **SECTION 42.20.(d)** Except as otherwise provided, this section is effective when it
41 becomes law."; and

42
43 by adjusting appropriate totals accordingly.

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SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

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