



SENATE BILL 310: Religious Property - Tax Exemption.

2025-2026 General Assembly

Committee: Senate Rules and Operations of the Senate	Date: May 1, 2025
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Analysis of: Second Edition	Staff Attorney

OVERVIEW: *Senate Bill 310 would authorize the governing board of a local unit to release any unpaid property taxes levied on property owned by a religious entity during the previous five calendar years if the entity submits an application and the property qualifies for relief.*

CURRENT LAW:

Exemption Application: G.S. 105-278.3 provides that buildings, land actually occupied by buildings, and additional adjacent land reasonably necessary for convenient use of the building is exempt from tax if owned by a religious entity and exclusively used for religious purposes. To be exempt from property taxation, the religious entity must file a timely application during the listing period, which runs through the month of January each year unless an extension applies. If the county approves a timely application for property tax relief, the property would be exempt from taxation for the taxable year beginning in the year the application was approved and each year thereafter, unless the property no longer qualifies for the benefit. Further, the religious entity is not required to file another application in future years unless the use of the property changes or the entity acquires new property that they wish to exclude from property taxation.

If a taxpayer fails to file a timely application for a property tax benefit, the taxpayer may file an untimely application any time during the calendar year; however, the taxpayer must show good cause for failing to file a timely application. Whether an untimely application is approved is in the discretion of the governing board of the taxing unit. Any untimely application approved by the governing board applies only to property taxes levied during the calendar year in which the untimely application is filed.

Release of Property Tax Liability: If a tax has not been paid, a taxpayer may submit a written statement requesting release of the property tax liability. The governing board of a taxing unit is authorized to release the tax liability on a property only if the tax was imposed through clerical error or if the tax was illegal. If either of these requirements are not present, the governing board may not release the unpaid property tax liability. If a property tax is released in violation of the law, any governing board member who voted for the release can be held personally responsible for the lost taxes.

BILL ANALYSIS: Senate Bill 310 would authorize religious entities to file an untimely application for property tax relief which, if the property qualifies for relief and the application is approved by the governing board, would authorize the governing board to release any taxes levied on the qualifying property during the five calendar years immediately preceding the date the bill becomes law. However, an approved application would only authorize the governing board to release the taxes that have not been paid on a property owned by a religious entity and would not authorize refunds to religious entities that instead paid the property taxes levied during the previous five calendar years.

EFFECTIVE DATE: This act would be effective when it becomes law and apply to applications submitted on or after that date.

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Legislative Analysis
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