



HOUSE BILL 229: Church Tax Exemption/Driving Privileges

2015-2016 General Assembly

Committee:

Introduced by:

Analysis of: S.L. 2015-185

Date:

Prepared by: Greg Roney
Staff Attorney

SUMMARY: *S.L. 2015-185 exempts religious buildings that are under construction from local property tax, effective for taxes imposed for taxable years beginning on or after July 1, 2015.*

The act also authorizes a judge to allow a person with a revoked driver's license to drive to attend religious worship under a limited driving privilege, effective October 1, 2015, and applies to limited driving privileges issued on or after October 1, 2015.

CURRENT LAW: G.S. 105-278.3 exempts buildings and land if wholly and exclusively used by its owner for religious purposes and wholly owned by either a local unit of a religious body (e.g., congregation, parish, or mission) or a unit comprising local units of a religious body (e.g., conference, association, presbytery, diocese, district, or synod).

Property owned by a church and held as a future site of a church fails the exclusive-use requirement of G.S. 105-278.3(a).

G.S. 20-179.3 authorizes a judge to allow a person with a revoked driver's license to drive for 6 listed purposes under a limited driving privilege: (1) employment, (2) maintenance of household, (3) education, (4) court-ordered treatment or assessment, (5) community service ordered as a condition of probation, and (6) emergency medical care.

BILL ANALYSIS: Section 1 of the act specifically exempts buildings and land occupied by the building from local property tax if:

- The building is intended to be wholly and exclusively used by its owner for religious purposes upon completion.
- The building must be "under construction" which requires a building permit and continues until the earlier of:
 - 90 days after a certificate of occupancy is issued
 - 180 days after the end of active construction
- The building is owned by a qualified religious body. This is the same requirement for all religious buildings.

The act effectively accelerates the time when a religious building is exempt from local property tax. The bill moves the time the property is exempt from the time of religious use to the time of issuance of a building permit. The tax exemption for incomplete religious buildings ends at the earlier of 90 days after the issuance of the certificate of occupancy or 180 days after the end of construction. The end of the exemption allows local governments to return property to taxable status if the building project is abandoned or fails to be used as intended.

Section 2 of the act adds religious worship to the list of essential purposes under a limited driving privilege.



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EFFECTIVE DATE: Section 1 of S.L. 2015-185 is effective for taxes imposed for taxable years beginning on or after July 1, 2015. Section 2 of the act is effective October 1, 2015, and applies to limited driving privileges issued on or after that date.