



HOUSE BILL 91: Define Armed Forces/Religious Prop. Tax Excl.

2025-2026 General Assembly

Committee: Senate Rules and Operations of the Senate	Date: June 12, 2025
Introduced by: Reps. Loftis, Tyson, Penny	Prepared by: Karyl Smith
Analysis of: Third Edition	Staff Attorney

OVERVIEW: *House Bill 91 would do the following:*

- *Amend references to the United States Armed Forces in the General Statutes by including the newly established United States Space Force.*
- *Make conforming changes.*
- *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 & BILL ANALYSIS:

Part I – "Armed Forces" to Include United States Space Force

In the General Statutes, references to the United States Armed Forces include the United States Air Force, Army, Navy, Marine Corps, and Coast Guard.

Part I of the bill would amend references to the United States Armed Forces in the General Statutes by adding America's newest military service branch, the United States Space Force.

Part II – Conforming Changes

Part II of the bill would make conforming changes to various statutes.

Part III – Religious Property Tax Exemption

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

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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.

Part III of the bill 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.

This Part would become effective when it becomes law and would apply to applications submitted on or after that date.

EFFECTIVE DATE: Except as otherwise provided, the bill would become effective when it becomes law.

BACKGROUND: The United States Space Force was established on December 20, 2019, creating the first new branch of the armed services since 1947. Military and civilian members of the Space Force are called Guardians, a term that traces back to “Guardians of the High Frontier.” This was the command motto of Air Force Space Command, the organization that evolved into what we know today as the United States Space Force. The Space Force’s mandate is to organize, train, and equip space forces in order to protect and defend American interests in space and the space capabilities that enable and enhance the lethality and effectiveness of the United States Armed Forces.

Nicholas Giddings, Staff Attorney with the Legislative Analysis Division, substantially contributed to this summary.