

State of North Carolina

Property Tax Assessments Statutes

Basis for Property Tax Assessments – Market Value

Unless specifically provided otherwise, all property is appraised or valued at its true value in money (Sec. 105-283, G.S.). True value means market value, that is, the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of all the uses to which the property is adapted and for which it is capable of being used.

Real Property Defined

Real property, real estate, and land mean not only the land itself, but also buildings, structures, improvements, and permanent fixtures on the land, and all rights and privileges belonging or in any way appertaining to the land (Sec. 105-273(13), G.S.). In *State v. Martin* (NC SCt 1906) 141 NC 832, the North Carolina Supreme Court said the criterion for determining whether property ordinarily regarded as personal property becomes annexed to and part of the realty is the union of the following three requisites: an actual annexation to the realty; an application to the use of the realty; and the intention of the party making the annexation to make a permanent accession to the freehold.

Personal Property Defined

Tangible personal property means all personal property that is not intangible and that is not permanently affixed to real property (Sec. 105-273(14), G.S.). Nonbusiness property means personal property that is used by the owner for a purpose other than the production of income and is not used in connection with a business. The term includes household furnishings, clothing, pets, lawn tools, and lawn equipment, but does not include motor vehicles, mobile homes, aircraft, watercraft, or engines for watercraft.

Intangible Property Taxes

All intangible personal property, other than leasehold interests in exempted real property, is exempt from property tax (Sec. 105-275(31), G.S.).

