

COUNTY OF CHATHAM

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RESOLUTION TO OPPOSE THE COURT OF APPEALS "HOMES FOR THE AGED" RULING

WHEREAS, the Chatham County Board of Commissioners in fulfillment of their obligation to the citizens of Chatham County desires that property taxes in Chatham County are fair and equitable to all taxpayers; and

WHEREAS, the Chatham County Board of Commissioners have seen an erosion in the property tax base; and

WHEREAS, the North Carolina General Assembly is the only authorized body, under Article 5 Section 2 of the Constitution of North Carolina, to pass laws governing property tax for the Counties of North Carolina; and

WHEREAS, the North Carolina General Assembly, using its authorization for the governing of property tax laws, passed G. S. 105-275(32) exempting "homes for the aged, sick, or infirmed" owned, operated, and managed by A) A congregation, parish, mission, synagogue, temple, or similar local unit of a church or religious body; B) A conference, association, division, presbytery, diocese, district, synod, or similar unit of a church or religious body; C) A Masonic organization whose property is excluded from taxation pursuant to G. S. 105-278(18); or D) A nonprofit corporation governed by a board of directors at least a majority of whose members elected for terms commencing on or before December 31, 1987, shall have been elected or confirmed by, and all of whose members elected for terms commencing after December 31, 1987, shall be selected by, one or more entities described in A., B., or C. of this subdivision, or organized for a religious purpose as defined in G. S. 105-278.3(d)(1), and meeting the other requirements of the statute; and

WHEREAS, the North Carolina Court of Appeals ruled that requirement five, which requires that the "homes for the aged, sick, or infirmed" to be owned, operated, and managed by a religious or Masonic organization, is unconstitutional in that it prefers religion over non-religion; and

WHEREAS, the North Carolina Court of Appeals instead of invalidating all of G. S. 105-275(32) and removing the preferred treatment of religious and Masonic organizations, invalidated only the requirement that the "home for the aged, sick, or infirmed" be owned, operated, and managed by a religious or Masonic organization, thereby allowing all "homes for the aged, sick, or infirmed" preferential treatment over other taxpayers under our current property tax system; and

WHEREAS, Carolina Meadows, Chatham Counties' third largest taxpayer, and Pittsboro Christian Village, both of whom are located in Chatham County, have applied for property tax exemption based on the North Carolina Court of Appeals "Springmoor" ruling; and

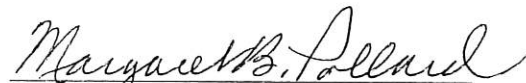
WHEREAS, Chatham County is faced with the removal of an estimated \$42,976,389 in taxable value from its 1997-98 tax levy and \$339,513.47 from its proposed 1997-98 County budget, which amounts to 1.55% of the Chatham County Ad Valorem Tax Collection projected total; and

WHEREAS, Chatham County will be forced to increase the tax burden on all remaining taxpayers in the County to make up this shortfall, including many taxpayers who are over sixty-five years of age and are unable to meet the strict entry requirements of these "homes for the aged, sick, or infirmed" thus clearly going against the statement made by the North Carolina Court of Appeals that "the General Assembly clearly intended "to promote communities for the elderly without giving a tax windfall to all residential property owners"" which was their basis for invalidating only requirement five.


NOW , THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the County of Chatham as follows:

- 1) The Board of Commissioners is opposed to the finds of the North Carolina Court of Appeals in the "Springmoor" case.
- 2) The Board of Commissioners supports the establishment of a committee by the legislature to study the fairness and equity of all property tax exemptions.
- 3) This Resolution shall be effective upon its adoption.

Unanimously adopted this, the 2nd day of June, 1997.


Margaret Bryant Pollard, Chair

ATTEST:


Sandra B. Lee, Clerk to the Board
Chatham County Board of Commissioners