Memorandum

To: Polk County Board of Commissioners

From: Melissa O'Loughlin, Polk County Tax Administrator

Date: 11/12/2024

Re: Late application

Late application for Builders Inventory. Does qualify and would have been approved if submitted on time.

Recommend approving this application.

Form AV-65
01-20

BUILDER PROPERTY TAX EXCLUSION

Each improvement requires a one-time application under N.C.G.S. §105-282.1.

Application for Tax Year: 2024 County: Polk

Owner(s): Kevin + Krystal Powell
Mailing Address: PO Box 512 Columbus, NC 28722
Home Phone: 828-817-9340 Mobile: 828-817-9340
Email Address: kp2custombuilders@gmail.com

Business Trade Name: KP Squared Custom Builders LLC
Mailing Address: PO Box 512 Columbus, NC 28722
Business Phone: Mobile: 828-817-9340
Email Address: kp2custombuilders@gmail.com Website:
Contact: (If different from above) Phone:

Builder Information

Is the applicant a general contractor?

- [x] Yes General Contractor License No. 99810
- [ ] No For purposes of qualifying as a *builder* under G.S. 105-273(3a), please answer the following questions and attach supporting documentation as needed.
  a. Is your business registered with the NC Secretary of State? [x] Yes [ ] No
  b. Address of principal place of business: 112 Robo Creek Trail Columbus, NC
  c. How long have you been in the business of buying, improving, and reselling real property? 3 years
  d. How many properties do you currently own that are being improved and/or held for sale? 1

Property Information (Attach list if needed. For each item, check all applicable responses.)

List the property identification numbers and physical addresses/locations for the properties included in this application.

Property ID #	Address/Location/Subdivision	Improved?
P61-110	492 mountain view Dr/ Morgan Chapel Village	[ ] Yes [x] No
		[ ] Yes [ ] No
		[ ] Yes [ ] No

Identify the land type this application applies to:

- [x] Residential Is this application for a new: [ ] Subdivision [x] Single Family Residence [ ] Duplex
- [ ] Commercial Have improvements been made to the site? [ ] Yes [ ] No
  Are there any new improvements under construction? [ ] Yes [ ] No

Were the improvements to the land or structures made after January 1, 2016? [ ] Yes [ ] No

Date site improvements began: _____ Date of final site improvements: _____

Identify the elements of construction that were in place as of January 1 of the year of application:

- [ ] Grading/Site Preparation
- [ ] Curb and Gutter
- [ ] Streets Single Family/Duplex
- [x] Utilities
- [ ] Other: _____

What is the estimated percentage complete as of January 1 of the year of application? 45 %

Is this property held for sale? [x] Yes [ ] No If yes, please provide MLS #: just took off market, will be listing with new agent in a few weeks

Occupancy status: [ ] Rented [ ] Occupied (Not receiving rent) [x] Vacant

Name of renter/occupant: _____

Do not remit this form to the NC Department of Revenue. Please remit to the appropriate county tax office.
County addresses are available at: https://www.ncdor.gov/documents/north-carolina-county-assessors-list.

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General Statutes

§ 105-273. Definitions.

(3a) "Builder" means a taxpayer engaged in the business of buying real property, making improvements to it, and then reselling it.

§ 105-277.02. Certain real property held for sale classified for taxation at reduced valuation.

(a) Residential Real Property. - Residential real property held for sale by a builder is designated a special class of property under authority of Article V, Sec. 2(2) of the North Carolina Constitution. For purposes of this subsection, "residential real property" is real property that is intended to be sold and used as an individual's residence immediately or after construction of a residence, and the term excludes property that is either occupied by a tenant or used for commercial purposes such as residences shown to prospective buyers as models. Any increase in value of this classified property attributable to subdivision of, improvements other than buildings, or the construction of either a new single-family residence or a duplex on the property by the builder is excluded from taxation under this Subchapter as long as the builder continues to hold the property for sale. In no event shall this exclusion extend for more than three years from the time the improved property was first subject to being listed for taxation by the builder.

(b) Commercial Property. - Commercial real property held for sale by a builder is designated a special class of property under authority of Article V, Sec. 2(2) of the North Carolina Constitution. For purposes of this subsection, "commercial real property" is real property that is intended to be sold and used for commercial purposes immediately or after improvement. Any increase in value of this classified property attributable to subdivision of or other improvements made to the property, by the builder, is excluded from taxation under this Subchapter as long as the builder continues to hold the property for sale. The exclusion authorized by this subsection ends at the earlier of the following:

(1) Five years from the time the improved property was first subject to being listed for taxation by the builder.
(2) Issuance of a building permit.
(3) Sale of the property.

(c) The builder must apply for any exclusion under this section as provided in G.S. 105-282.1.

(d) In appraising property classified under this section, the assessor shall specify what portion of the value is an increase attributable to subdivision or other improvement by the builder.

This legislation effective for taxes imposed for taxable years beginning on or after July 1, 2016, and applies to subdivision of or other improvements made on or after July 1, 2015. A one-time application is required for taxes imposed for taxable years beginning on or after July 1, 2019.

§ 105-285. Date as of which property is to be listed and appraised.

(d) Real Property. - The value of real property shall be determined as of January 1 of the years prescribed by G.S. 105-286 and G.S. 105-287. The ownership of real property shall be determined annually as of January 1, except in the following situation: When any real property is acquired after January 1, but prior to July 1, and the property was not subject to taxation on January 1 on account of its exempt status, it shall be listed for taxation by the transferee as of the date of acquisition and shall be appraised in accordance with its true value as of January 1 preceding the date of acquisition; and the property shall be taxed for the fiscal year of the taxing unit beginning on July 1 of the year in which it is acquired. The person in whose name such property is listed shall have the right to appeal the listing, appraisal, and assessment of the property in the same manner as that provided for listings made as of January 1.

In the event real property exempt as of January 1 is, prior to July 1, acquired from a governmental unit that by contract is making payments in lieu of taxes to the taxing unit for the fiscal period beginning July 1 of the year in which the property is acquired, the tax on such property for the fiscal period beginning on July 1 immediately following acquisition shall be one half of the amount of the tax that would have been imposed if the property had been listed for taxation as of January 1.

Affirmation

I, the undersigned, declare under penalties of law that this application and any attachments are true and correct to the best of my knowledge and belief. I have read the applicable exclusion and listing statutes above. I fully understand that a transfer or failure to meet the statutory qualifications will result in the loss of the exclusion.

Signature of Owner (All tenants of tenancy in common must sign.)	Title	Date
[signature]	Owner	11/12/24
Krystal Powell	Owner	11/12/24

Signature of Owner (All tenants of tenancy in common must sign.) — Title — Date

The county tax assessor may contact you for additional information after reviewing this application.

OFFICE USE ONLY: APPROVED ____ DENIED ____ BY: _____ REASON FOR DENIAL: _____