

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 350
Committee Substitute Favorable 6/1/11

Short Title: Property Tax Uniformity for Conservation Land. (Public)

Sponsors:

Referred to:

March 15, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY WHEN LAND USED FOR CONSERVATION PURPOSES IS TO BE
3 EXCLUDED FROM THE PROPERTY TAX BASE.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-275 reads as rewritten:

6 "**§ 105-275. Property classified and excluded from the tax base.**

7 The following classes of property are designated special classes under Article V, Sec. 2(2),
8 of the North Carolina Constitution and are excluded from tax:

9 ...

- 10 (12) Real property that (i) is owned by a nonprofit corporation or association
11 organized to receive and administer lands for conservation purposes, (ii) is
12 exclusively held and used by its owner for educational and scientific
13 purposes as a protected natural area, for one or more of the purposes listed in
14 this subdivision, and (iii) produces no income or produces income that is
15 incidental to and not inconsistent with the purpose or purposes for which the
16 land is held and used. (For purposes of this subdivision, the term "protected
17 natural area" means a nature reserve or park in which all types of wild
18 nature, flora and fauna, and biotic communities are preserved for observation
19 and study.)The taxes that would otherwise be due on land classified under
20 this subdivision shall be a lien on the real property of the taxpayer as
21 provided in G.S. 105-355(a). The taxes shall be carried forward in the
22 records of the taxing unit or units as deferred taxes. The deferred taxes for
23 the preceding five fiscal years are due and payable in accordance with
24 G.S. 105-277.1F when the property loses its eligibility for deferral as a result
25 of a disqualifying event. A disqualifying event occurs when the property (i)
26 is no longer exclusively held and used for one or more of the purposes listed
27 in this subdivision, (ii) produces income that is not incidental to and
28 consistent with the purpose or purposes for which the land is held and used,
29 or (iii) is sold or transferred without an easement recorded at the time of sale
30 that requires perpetual use of the land for one or more of the purposes listed
31 in this subdivision and that prohibits any use of the land that would generate
32 income that is not incidental to and consistent with the purpose or purposes
33 for which the land is held and used. In addition to the provisions in
34 G.S. 105-277.1F, all liens arising under this subdivision are extinguished
35 upon the real property being sold or transferred to a local, state, or federal
36 government unit for conservation purposes or subject to an easement
37 recorded at the time of sale that requires perpetual use of the land for one or



1 more of the purposes listed in this subdivision. The purposes allowed under
 2 this subdivision are any of the following:

- 3 a. Used for an educational or scientific purpose as a nature reserve or
 4 park in which wild nature, flora and fauna, and biotic communities
 5 are preserved for observation and study. For purposes of this
 6 sub-subdivision, the terms "educational purpose" and "scientific
 7 purpose" are defined in G.S. 105-278.7(f).
- 8 b. Managed under a written wildlife habitat conservation agreement
 9 with the North Carolina Wildlife Resources Commission.
- 10 c. Managed under a forest stewardship plan developed by the Forest
 11 Stewardship Program.
- 12 d. Used for public access to public waters or trails.
- 13 e. Used for protection of water quality and subject to a conservation
 14 agreement under the provision of the Conservation and Historic
 15 Preservation Agreements Act, Article 4, Chapter 121 of the General
 16 Statutes.
- 17 f. Held by a nonprofit land conservation organization for sale or
 18 transfer to a local, state, or federal government unit for conservation
 19 purposes.

20"

21 **SECTION 2.** G.S. 105-277.1F(a) is amended by adding a new subdivision to read:

22 "(a) Scope. – This section applies to the following deferred tax programs:

- 23 (1) G.S. 105-275(12)f., real property held for future transfer to government unit
 24 for conservation purposes.
- 25 (1a) G.S. 105-275(29a), historic district property held as future site of historic
 26 structure.
- 27 (2) G.S. 105-277.1B, the property tax homestead circuit breaker.
- 28 (2a) G.S. 105-277.1D, the inventory property tax deferral.
- 29 (3) G.S. 105-277.4(c), present-use value property.
- 30 (4) G.S. 105-277.14, working waterfront property.
- 31 (4a) G.S. 105-277.15, wildlife conservation land.
- 32 (5) G.S. 105-278(b), historic property.
- 33 (6) G.S. 105-278.6(e), nonprofit property held as future site of low- or
 34 moderate-income housing."

35 **SECTION 3.** This act is effective for taxes imposed for taxable years beginning on
 36 or after July 1, 2011.