

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 320
Senate Finance Committee Substitute Adopted 6/14/18

Short Title: PUV Changes.

(Public)

Sponsors:

Referred to:

March 13, 2017

A BILL TO BE ENTITLED
AN ACT TO EXPAND THE TYPES OF LAND THAT CAN QUALIFY FOR PRESENT-USE
VALUE TAXATION AS WILDLIFE CONSERVATION LAND.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-277.15 reads as rewritten:

"§ 105-277.15. Taxation of wildlife conservation land.

(a) Definitions. – The following definitions apply in this section:

(1) Business entity. – Defined in G.S. 105-277.2.

(2) Family business entity. – A business entity whose members are, directly or indirectly, individuals and are relatives. An individual is indirectly a member of a business entity if the individual is a member of a business entity or a beneficiary of a trust that is part of the ownership structure of the business entity.

(3) Family trust. – A trust that was created by an individual and whose beneficiaries are, directly or indirectly, individuals who are the creator of the trust or a relative of the creator. An individual is indirectly a beneficiary of a trust if the individual is a beneficiary of another trust or a member of a business entity that has a beneficial interest in the trust.

(4) Member. – Defined in G.S. 105-277.2.

(5) Relative. – Defined in G.S. 105-277.2.

(b) Classification. – Wildlife conservation land is designated a special class of property under Article V, Section 2(2) of the North Carolina Constitution and must be appraised, assessed, and taxed in accordance with this section. Wildlife conservation land classified under this section must be appraised and assessed as if it were classified under G.S. 105-277.3 as agricultural land.

(c) Requirements. – Land qualifies as wildlife conservation land if it meets the following size, ownership, and use requirements:

(1) Size. – The land must consist of at least 20 contiguous acres.

(2) Ownership. – The land must be owned by an individual, a family business entity, or a family trust and must have been owned by the same owner for the previous five years, except as follows:

a. If the land is owned by a family business entity, the land meets the ownership requirement if the land was owned by one or more members of the family business entity for the required time.

b. If the land is owned by a family trust, the land meets the ownership requirement if the land was owned by one or more beneficiaries of the family trust for the required time.



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- 1 c. If an owner acquires land that was classified as wildlife conservation
- 2 land under this section when it was acquired and the owner continues
- 3 to use the land as wildlife conservation land, then the land meets the
- 4 ownership requirement if the new owner files an application and signs
- 5 the wildlife habitat conservation agreement in effect for the property
- 6 within 60 days after acquiring the property.
- 7 (3) Use. – The land must meet all of the following requirements:
- 8 a. The land must be managed under a written wildlife habitat
- 9 conservation agreement with the North Carolina Wildlife Resources
- 10 Commission that is in effect as of January 1 of the year for which the
- 11 benefit of this section is claimed and that requires the owner to do one
- 12 or more of the following:
- 13 1. Protect an animal species that lives on the land and, as of
- 14 January 1 of the year for which the benefit of this section is
- 15 claimed, is on a North Carolina protected animal list published
- 16 by the Commission under G.S. 113-333.
- 17 2. Conserve any of the following priority animal wildlife habitats:
- 18 longleaf pine forest, early successional habitat, small wetland
- 19 community, stream and riparian zone, rock outcrop, or bat
- 20 cave.
- 21 3. Create and actively and regularly use as a reserve for hunting,
- 22 fishing, shooting, wildlife observation, or wildlife activities,
- 23 provided that the land is inspected by a certified wildlife
- 24 biologist at least quintennially to ensure that at least three of
- 25 the seven activities listed in this sub-sub-subdivision are
- 26 maintained to propagate a sustaining breeding, migrating, or
- 27 wintering population of indigenous wild animals for human
- 28 use, including food, medicine, or recreation. The Commission
- 29 shall adopt rules needed to administer the inspection
- 30 requirements of and activities mandated by this
- 31 sub-sub-subdivision.
- 32 I. Supplemental food.
- 33 II. Supplemental water.
- 34 III. Supplemental shelter.
- 35 IV. Habitat control.
- 36 V. Erosion control.
- 37 VI. Predator control.
- 38 VII. Census of animal population on the land.
- 39 b. ~~It~~ For land used pursuant to sub-sub-subdivisions 1. or 2. of
- 40 sub-subdivision a. of this subdivision, it must have been classified
- 41 under G.S. 105-277.3 when the wildlife habitat conservation
- 42 agreement was signed or the owner must demonstrate to both the
- 43 Wildlife Resources Commission and the assessor that the owner used
- 44 the land for a purpose specified in the signed wildlife habitat
- 45 conservation agreement for three years preceding the January 1 of the
- 46 year for which the benefit of this section is claimed.
- 47 (d) Restrictions. – The following restrictions apply to the classification allowed under
- 48 this section:
- 49 (1) ~~No~~ For land used pursuant to sub-sub-subdivision 3. of sub-subdivision a. of
- 50 subdivision (3) of subsection (c) of this section, no more than 800 acres of an
- 51 owner's land in a county may be classified under this section. For all other

- 1 land classified under this section, no more than 100 acres of an owner's land
2 in a county may be classified under this section.
- 3 (2) Land owned by a business entity is not eligible for classification under this
4 section if the business entity is a corporation whose shares are publicly traded
5 or one of its members is a corporation whose shares are publicly traded.
- 6 (e) Deferred Taxes. – The difference between the taxes that are due on wildlife
7 conservation land classified under this section and that would be due if the land were taxed on
8 the basis of its true value is a lien on the property. The difference in taxes must be carried forward
9 in the records of each taxing unit as deferred taxes. The deferred taxes for the preceding three
10 fiscal years are due and payable in accordance with G.S. 105-277.1F when the land loses its
11 eligibility for deferral as a result of a disqualifying event. A disqualifying event occurs when the
12 property no longer qualifies as wildlife conservation land.
- 13 (f) Exceptions to Payment. – No deferred taxes are due in the following circumstances
14 and the deferred taxes remain a lien on the land:
- 15 (1) When the owner of wildlife conservation land that was previously classified
16 under G.S. 105-277.3 before the wildlife habitat conservation agreement was
17 signed does not transfer the land and the land again becomes eligible for
18 classification under G.S. 105-277.3. In this circumstance, the deferred taxes
19 are payable in accordance with G.S. 105-277.3.
- 20 (2) When land that is classified under this section is transferred to an owner who
21 signed the wildlife habitat conservation agreement in effect for the land at the
22 time of the transfer and the land remains classified under this section. In this
23 circumstance, the deferred taxes are payable in accordance with this section.
- 24 (g) Exceptions to Payment and Lien. – Notwithstanding subsection (e) of this section, if
25 land loses its eligibility for deferral solely due to one of the following reasons, no deferred taxes
26 are due and the lien for the deferred taxes is extinguished:
- 27 (1) The property is conveyed by gift to a nonprofit organization and qualifies for
28 exclusion from the tax base under G.S. 105-275(12) or G.S. 105-275(29).
- 29 (2) The property is conveyed by gift to the State, a political subdivision of the
30 State, or the United States.
- 31 (h) Administration. – An owner who applies for the classification allowed under this
32 section must attach a copy of the owner's written wildlife habitat agreement required under
33 subsection (c) of this section. An owner who fails to notify the county assessor when land
34 classified under this section loses its eligibility for classification is subject to a penalty in the
35 amount set in G.S. 105-277.5."

36 **SECTION 2.** This act is effective for taxes imposed for taxable years beginning on
37 or after July 1, 2019.