

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 880

Short Title: PUV for Beekeeping Property. (Public)

Sponsors: Representative R. Turner.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Finance

April 25, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE PRESENT-USE VALUE TAX BENEFITS FOR BEEKEEPING
3 OPERATIONS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 105-277.2 reads as rewritten:

6 "§ 105-277.2. **Agricultural, horticultural, and forestland – Definitions.**

7 The following definitions apply in G.S. 105-277.3 through G.S. 105-277.7:

8 ...

9 (6) Sound management program. – A program of production designed to obtain
10 the greatest net return from the land consistent with its conservation and
11 long-term improvement. For agricultural land used for beekeeping
12 operations, the sound management program must include a determination by
13 the Department of Agriculture and Consumer Services providing the density
14 of bee hives appropriate for the land for which the tax benefit is claimed.

15"

16 SECTION 2. G.S. 105-277.3 reads as rewritten:

17 "§ 105-277.3. **Agricultural, horticultural, and forestland – Classifications.**

18 (a) Classes Defined. – The following classes of property are designated special classes
19 of property under authority of Section 2(2) of Article V of the North Carolina Constitution and
20 must be appraised, assessed, and taxed as provided in G.S. 105-277.2 through G.S. 105-277.7.

21 (1) Agricultural land. – Individually owned agricultural land consisting of one
22 or more tracts, one of which satisfies the requirements of this subdivision.
23 ~~For agricultural land used as a farm for aquatic species, as defined in G.S.~~
24 ~~106-758, the tract must meet the income requirement for agricultural land~~
25 ~~and must consist of at least five acres in actual production or produce at least~~
26 ~~20,000 pounds of aquatic species for commercial sale annually, regardless of~~
27 ~~acreage. For all other agricultural land, the tract must meet the income~~
28 ~~requirement for agricultural land and must consist of at least 10 acres that~~
29 ~~are in actual production. Land in actual production includes land under~~
30 ~~improvements used in the commercial production or growing of crops,~~
31 ~~plants, or animals. To~~

32 To meet the income requirement, agricultural land must, for the three
33 years preceding January 1 of the year for which the benefit of this section is
34 claimed, have produced an average gross income of at least one thousand
35 dollars (\$1,000). Gross income for agricultural land used for purposes other



1 than beekeeping operations includes income from the sale of the agricultural
 2 products produced from the land, any payments received under a
 3 governmental soil conservation or land retirement program, and the amount
 4 paid to the taxpayer during the taxable year pursuant to P.L. 108-357, Title
 5 VI, Fair and Equitable Tobacco Reform Act of 2004. Gross income for
 6 agricultural land used for beekeeping operations includes income from the
 7 sale of products of the hive other than honey and from pollination rentals.

8 The following requirements apply for agricultural land:

- 9 a. For agricultural land used as a farm for aquatic species, as defined in
 10 G.S. 106-758, the tract must meet the income requirement for
 11 agricultural land and must consist of at least five acres in actual
 12 production or produce at least 20,000 pounds of aquatic species for
 13 commercial sale annually, regardless of acreage.
- 14 b. For agricultural land used as a farm for beekeeping operations, the
 15 tract must meet the income requirement for agricultural land, must
 16 house at least 50 individual hives, must conform to the density
 17 requirements set forth in the sound management plan for the land,
 18 and must consist of at least five acres in actual production used
 19 throughout the year for beekeeping in conjunction with commercial
 20 or noncommercial agricultural, horticultural, or forestland use.
- 21 c. For all other agricultural land, the tract must meet the income
 22 requirement for agricultural land and must consist of at least 10 acres
 23 that are in actual production. Land in actual production includes land
 24 under improvements used in the commercial production or growing
 25 of crops, plants, or animals.

26 ...

27 (f) Sound Management Program for Agricultural Land and Horticultural Land. – If the
 28 property owner demonstrates any one of the following factors with respect to agricultural land
 29 or horticultural land, then the land is operated under a sound management program:

- 30 (1) Enrollment in and compliance with an agency-administered and approved
 31 farm management plan.
 32 (2) Compliance with a set of best management practices.
 33 (3) Compliance with a minimum gross income per acre test.
 34 (4) Evidence of net income from the farm operation.
 35 (5) Evidence that farming is the farm operator's principal source of income.
 36 (6) Certification by a recognized agricultural or horticultural agency within the
 37 county that the land is operated under a sound management program.

38 Operation under a sound management program may also be demonstrated by evidence of other
 39 similar factors. As long as a farm operator meets the sound management requirements, it is
 40 irrelevant whether the property owner received income or rent from the farm operator.

41"

42 **SECTION 3.** This act is effective for taxes imposed for taxable years beginning on
 43 or after January 1, 2017. If agricultural land used as a farm for beekeeping operations has met
 44 the requirements of G.S. 105-277.2 and G.S. 105-277.3, as amended by this act, for the
 45 preceding three years, the agricultural land shall be assessed at present-use value for the 2017
 46 taxable year.