

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE DRS85143-MC-164 (03/25)

Short Title: Enhance Credit For Conserv. Prop. Donations.

(Public)

Sponsors: Senator Hartsell.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY THE CLASSES OF PROPERTY EXCLUDED FROM THE TAX
3 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 owned by a nonprofit corporation or association ~~exclusively~~
11 primarily held and used by its owner for educational and scientific purposes
12 as a protected natural area or for one or more of the conservation
13 purposes required for donated real property to qualify for a credit pursuant to
14 G.S. 105-151.12. (For purposes of this subdivision, the term "protected
15 natural area" means a nature reserve or park in which all types of wild
16 nature, flora and fauna, and biotic communities are preserved for observation
17 and study.)study.

18"

19 SECTION 2. G.S. 105-275 is amended by adding a new subdivision to read:

20 "§ 105-275. Property classified and excluded from the tax base.

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

23 ...

24 (29b) Real property that meets the requirements of a sub-subdivision of this
25 subdivision. Property may be classified under this subdivision for no more
26 than five years. The taxes that would otherwise be due on land classified
27 under this subdivision shall be a lien on the real property of the taxpayer as
28 provided in G.S. 105-355(a). The taxes shall be carried forward in the
29 records of the taxing unit or units as deferred taxes. The deferred taxes are
30 due and payable in accordance with G.S. 105-277.1F when the property
31 loses its eligibility for deferral as a result of a disqualifying event.

32 a. Real property owned by a nonprofit corporation organized for land
33 conservation purposes and held by its owner exclusively for sale
34 under a conservation agreement to be prepared and recorded, at the
35 time of sale, under the provisions of the Conservation and Historic



1 Preservation Agreements Act, Article 4 of Chapter 121 of the
 2 General Statutes. A disqualifying event occurs when the real property
 3 is not sold or transferred under a conservation agreement within five
 4 years from the first day of the fiscal year the property was classified
 5 under this sub-subdivision. In addition to the provisions in
 6 G.S. 105-277.1F, all liens arising under this sub-subdivision are
 7 extinguished upon the sale or transfer of real property under a
 8 conservation agreement within the time period allowed under this
 9 sub-subdivision.

10 b. Real property held by a nonprofit land conservation organization for
 11 future sale or transfer to a local, State, or federal government unit for
 12 conservation purposes. A disqualifying event occurs when the real
 13 property is not sold or transferred to a local, State, or federal
 14 government unit for conservation purposes within five years from the
 15 first day of the fiscal year the property was classified under this
 16 sub-subdivision. In addition to the provisions in G.S. 105-277.1F, all
 17 liens arising under this sub-subdivision are extinguished upon the
 18 sale or transfer of real property to a local, State, or federal
 19 government unit for conservation purposes within the time period
 20 allowed under this sub-subdivision.

21"

22 **SECTION 3.** G.S. 105-277.1F(a) is amended by adding a new subdivision to read:

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

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

36 **SECTION 4.** G.S. 105-282.1(a)(2)a. reads as rewritten:

37 "a. Property exempted from taxation under G.S. 105-278.3, 105-278.4,
 38 105-278.5, ~~105-278.6~~, 105-278.6(a)-(d), 105-278.7, or 105-278.8."

39 **SECTION 5.** This act is effective for taxes imposed for taxable years beginning on
 40 or after July 1, 2011.