

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE DRH30158-MC-118 (03/07)

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

Sponsors: Representatives McGrady, Starnes, Brubaker, and Harrison (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE CLASSES OF PROPERTY EXCLUDED FROM THE TAX  
BASE.

The General Assembly of North Carolina enacts:

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

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

The following classes of property are hereby designated special classes under authority of Article V, Sec. 2(2), of the North Carolina Constitution and shall not be listed, appraised, assessed, or taxed:

...

(12) Real property owned by a nonprofit corporation or association ~~exclusively primarily~~ held and used ~~by its owner~~ for educational and scientific purposes as a protected natural ~~area~~ area or for one or more of the conservation purposes required for donated real property to qualify for a credit pursuant to G.S. 105-151.12. ~~(For~~ For purposes of this subdivision, the term "protected natural area" means a nature reserve or park in which ~~all types of~~ wild nature, flora and fauna, and biotic communities are preserved for observation and ~~study~~ study.

...."

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

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

The following classes of property are hereby designated special classes under authority of Article V, Sec. 2(2), of the North Carolina Constitution and shall not be listed, appraised, assessed, or taxed:

...

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

a. Real property owned by a nonprofit corporation organized for land conservation purposes and held by its owner exclusively for sale



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

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

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

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

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

37                   **SECTION 4.** This act is effective for taxes imposed for taxable years beginning on  
38                   or after July 1, 2011.