

April 26, 2007

**H 1889. PRESENT-USE VALUE SYSTEM MODIFICATIONS.** Filed 4/26/07. *TO PROVIDE PROPERTY TAX RELIEF FOR QUALIFYING WILDLIFE CONSERVATION LAND AND TO CLARIFY THE PRESENT-USE VALUATION OF PROPERTY SUBJECT TO A CONSERVATION EASEMENT.*

Enacts new GS 105-277.14 providing a property tax benefit for wildlife conservation land of at least 10 acres managed under a written plan certified by the Wildlife Resources Commission. To qualify, the land must meet specified conditions relating to wildlife and the owner must file a timely application. The property tax benefit is taxation at the value the land would have if it were forestland or agricultural land. The difference between the taxes based on this value and the taxes based on the land's true value are a lien on the land and are carried forward as deferred taxes. Three years of deferred taxes become due with interest when the land fails to qualify as wildlife conservation land unless it qualifies as forestland. The deferred taxes do not have to be paid, however, if the property is donated (1) to a nonprofit and qualifies for property tax exclusion as a protected natural area or as historic preservation property or (2) to NC, a NC local government, or the federal government. The statute provides for appeals from decisions of the appraiser regarding qualification of land as wildlife conservation land and appraisal of wildlife conservation land.

Amends GS 105-277.3(d1) to limit the exception that allows land under a conservation easement to continue to receive agricultural use-value treatment even if it does not meet the income requirements, by disallowing the exception if the taxpayer received 25% or more of the fair market value of the property in exchange for donating the conservation easement.

Effective beginning with the 2008-09 property tax year.

**Intro. by Harrison.**

GS 105

July 31, 2007

**H 1889. PRESENT-USE VALUE SYSTEM MODIFICATIONS.** Filed 4/26/07. House committee substitute makes the following changes to 1st edition. Modifies proposed new GS 105-277.14 to (1) prohibit a landowner from having more than 100 acres per county classified as wildlife conservation land and (2) extend the benefit to property owned by a limited partnership. Modifies proposed amendments to GS 105-277.3(d1) to provide that the exception to the income requirements for property that is subject to a conservation easement that qualifies for the conservation tax credit applies only if the taxpayer received no more than 75% (was, 25%) of the fair market value of the donated property interest in compensation. Effective when the act becomes law, requires the Revenue Laws Study Committee to study the three-year impact of classifying land as wildlife conservation land and report to the 2012 General Assembly.

August 1, 2007

**H 1889. PRESENT-USE VALUE SYSTEM MODIFICATIONS.** Filed 4/26/07. House amendment makes the following changes to 2nd edition. Modifies proposed GS 105-277.14 to include land that is owned by a trust or certain testamentary trusts in those types of land that may qualify for the wildlife conservation land property tax benefit. Defines *trust* and *testamentary trust*.

August 1, 2007

**H 1889. PRESENT-USE VALUE SYSTEM MODIFICATIONS.** Filed 4/26/07. House amendment makes the following changes to 3rd edition. Modifies proposed new GS 105-277.14 (taxation of land used for wildlife conservation) to provide that five years (was, three) of deferred taxes become due with interest when the land fails to qualify as wildlife conservation land unless it qualifies as forestland. Provides that the Revenue Laws Study Committee submit its study of the three-year impact of classifying land as wildlife conservation land for property tax purposes to the 2011 General Assembly (was, 2012).

July 10, 2008

**H 1889. WILDLIFE LAND PROPERTY TAX CHANGES (NEW).** Filed 4/26/07. Senate committee substitute makes the following changes to 4th edition. Amends proposed GS 105-277.15 (was, GS 105-277.14) in the definition section by (1) clarifying the definition of *family business entity*, (2) adding definitions for *business entity* and *family trust*, (3) deleting definitions for *trust* and *testamentary trust*, and (4) making technical changes. Provides that all wildlife conservation land must be appraised and assessed under GS 105-277.3 as if it were classified as agricultural land (was, if majority of property was woodland it would be classified as forestland under GS 105-277.3). Requires that for the land to qualify as wildlife conservation land it must be (1) at least 20 (was, 10) contiguous acres, (2) owned for the previous five years by an individual, a family business entity, or a *family trust*, with exceptions for all three owner categories, and (3) managed under a wildlife habitat conservation agreement with the Wildlife Resources Commission (WRC) with specific wildlife protection or habitat conservation responsibilities, but also allows for an owner to demonstrate qualifying use of the land for three years prior to an agreement being signed to claim the deferred tax. Creates an additional restriction that a business entity is not eligible for classification if it is a corporation, or one of its members is a corporation, whose shares are publicly traded. Creates two exceptions to payment of deferred taxes, with the deferred taxes remaining as a lien on the land. Assigns a penalty, in an amount set out in GS 105-277.5, if an owner fails to notify the county assessor when the land loses its eligibility. Deletes provisions concerning timely application, appeal, and appraisal at present-use value.

Makes conforming changes to GS 105-277.1D(a) (uniform provisions for the payment of deferred taxes), GS 105-282.1(a)(2) (related to applications for property tax exemption or exclusion), and GS 105-277.3 (related to special classifications for agricultural, horticultural, and forestland).

Changes the date the Revenue Laws Study Committee must report on the three-year impact of classifying land as wildlife conservation land for property tax purposes to be included in a 2015 report, instead of reporting to the 2011 General Assembly.

Changes the effective date for the amendments to GS Chapter 105 from July 1, 2008, to July 1, 2010, for taxes imposed for taxable years beginning on or after that date.

July 14, 2008

**H 1889. WILDLIFE LAND PROPERTY TAX CHANGES.** Filed 4/26/07. Senate amendment makes the following changes to 5th edition.

Enacts new subdivision GS 105-275(31e) to provide a property tax exemption for a leasehold interest in real property that is (1) exempt under GS 105-278.1 (regarding exemptions of real and personal property owned by units of government) and (2) is used to provide affordable housing for employees of the governmental unit that owns the property. Provides that an application for exclusion under proposed GS 105-275(31e) is timely if filed on or before September 1, 2008, notwithstanding GS 105-282.1 (regarding application for a property tax exemption or exclusion). Makes conforming changes to GS 105-275(31) and GS 105-282.1(a)(2)b. Effective for taxable years beginning on or after July 1, 2008. Makes technical changes. Makes conforming changes to the title.

August 8, 2008

**SL 2008-171 (H 1889). WILDLIFE LAND PROPERTY TAX CHANGES. AN ACT TO PROVIDE PROPERTY TAX RELIEF FOR QUALIFYING WILDLIFE CONSERVATION LAND, TO CLARIFY THE PRESENT-USE VALUATION OF PROPERTY SUBJECT TO A CONSERVATION EASEMENT, AND TO PROVIDE A PROPERTY TAX EXEMPTION FOR LEASEHOLD INTEREST IN CERTAIN EXEMPTED PROPERTY.** Summarized in *Daily Bulletin* 4/26/07, 7/31/07, 8/1/07, 7/10/08, and 7/14/08. Enacted August 4, 2008. Sections 1–5 are effective for taxes imposed for taxable years beginning on or after July 1, 2010. Section 7 is effective for taxes imposed for taxable years beginning on or after July 1, 2008. The remainder is effective August 4, 2008.