

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30373-MC-81 (02/22)

Short Title: PUV for Beekeeping Property. (Public)

Sponsors: Representative R. Turner.

Referred to:

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  
36 than beekeeping operations includes income from the sale of the agricultural



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

7 The following requirements apply for agricultural land:

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

25 ...

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

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

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

40 ...."

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