

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

H.B. 647  
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10265-Nif-15B

Short Title: Ag. PUV Conservation. (Public)

Sponsors: Representative Balkcom.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW PROPERTY OWNED BY CERTAIN CONSERVATION ENTITIES TO  
3 BE TAXED AT PRESENT-USE VALUE.

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 (1b) Conservation holder. – A nonprofit or private corporation that qualifies as a  
10 "holder" pursuant to G.S. 121-35(2) and that (i) meets the definition of a  
11 "charitable corporation" under G.S. 55A-1-40 and (ii) is organized to receive  
12 and administer agricultural land, horticultural land, or forestland, for the  
13 purpose of preserving the uses of such land in perpetuity.

14 ...

15 (4) Individually owned. – Owned by one of the following:

16 ...

17 f. A conservation holder.

18 ...."

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

20 "§ 105-277.3. Agricultural, horticultural, and forestland – Classifications.

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

24 ...

25 (b2) Exceptions to Ownership Requirements. – Notwithstanding the provisions of  
26 subsections (b) and (b1) of this section, land may qualify for classification in the hands of the  
27 new owner if all of the conditions listed in ~~either any~~ either any subdivision of this subsection are met, even  
28 if the new owner does not meet all of the ownership requirements of subsections (b) and (b1) of  
29 this section with respect to the land.

30 (1) Continued use. – If the land qualifies for classification in the hands of the new  
31 owner under the provisions of this subdivision, then any deferred taxes remain  
32 a lien on the land under G.S. 105-277.4(c), the new owner becomes liable for  
33 the deferred taxes, and the deferred taxes become payable if the land fails to  
34 meet any other condition or requirement for classification. Land qualifies for  
35 classification in the hands of the new owner if all of the following conditions  
36 are met:



\* D R H 1 0 2 6 5 - N I F - 1 5 B \*

1 a. The land was appraised at its ~~present-use~~present-use value at the time  
 2 title to the land passed to the new owner.  
 3 ...  
 4 (3) Use by conservation holder. – If the land qualifies for classification in the  
 5 hands of the new owner under the provisions of this subdivision, then any  
 6 deferred taxes remain a lien on the land under G.S. 105-277.4(c), the new  
 7 owner becomes liable for the deferred taxes, and the deferred taxes become  
 8 payable if the land fails to meet any other condition or requirement for  
 9 classification. Land qualifies for classification in the hands of the new owner  
 10 if all of the following conditions are met:  
 11 a. The new owner is a conservation holder.  
 12 b. The land was appraised at its present-use value at the time title to the  
 13 land passed to the new owner.  
 14 c. The new owner uses the land for purposes consistent with the owner's  
 15 qualification as a conservation holder.  
 16 d. The new owner has timely filed an application as required by  
 17 G.S. 105-277.4(a) and has certified that the new owner accepts  
 18 liability for any deferred taxes and intends to use the land for purposes  
 19 consistent with sub-subdivision c. of this subdivision.  
 20 ...  
 21 (d1) Conservation Easement Exception. – Property that is appraised at its present-use  
 22 value under G.S. 105-277.4(b) shall continue to qualify for appraisal, assessment, and taxation  
 23 as provided in G.S. 105-277.2 through G.S. 105-277.7 without regard to actual production or  
 24 income requirements of this section as long as (i) the property is subject to a qualifying  
 25 conservation easement that meets the requirements of G.S. 113A-235(a); and (ii) the taxpayer  
 26 received no more than seventy-five percent (75%) of the fair market value of the donated property  
 27 interest in compensation. Notwithstanding G.S. 105-277.3(b) and (b1), subsequent transfer of the  
 28 property does not extinguish its present-use value eligibility as long as the property remains  
 29 subject to a qualifying conservation easement. The exception provided in this subsection applies  
 30 only to that part of the property that is subject to the easement.  
 31 ...  
 32 (d4) Conservation Holder Exception. – Property that is appraised at its present-use value  
 33 under G.S. 105-277.4(b) shall continue to qualify for appraisal, assessment, and taxation as  
 34 provided in G.S. 105-277.2 through G.S. 105-277.7 without regard to the actual production or  
 35 income requirements of this section as long as (i) the taxpayer remains a conservation holder and  
 36 (ii) the taxpayer continues to use the land for purposes consistent with its qualification as a  
 37 conservation holder.  
 38 ...."  
 39 **SECTION 3.** This act is effective for taxes imposed for taxable years beginning on  
 40 or after July 1, 2026.