

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**SENATE DRS65197-MC-89 (3/2)**

Short Title: Present-Use Value Easement Tax Credit.

(Public)

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Sponsors: Senator Queen.

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Referred to:

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A BILL TO BE ENTITLED

1  
2 AN ACT TO REDUCE THE PROPERTY TAX OF AGRICULTURAL LAND,  
3 HORTICULTURAL LAND, AND FORESTLAND WHERE A PERPETUAL  
4 EASEMENT CONTINUING THE PRESENT USE IS PLACED ON THE LAND.

5       Whereas, there is a projected substantial increase of property values in the  
6 State of North Carolina, and this increase further increases pressure on values for  
7 family-owned farms, open land, and woodland; and

8       Whereas, there is an increasing need to preserve these lands which benefit the  
9 public at large; and

10       Whereas, there is need for statewide legislation to allow families owning  
11 properties of this nature to have the ability to pass these properties on for posterity so  
12 that families are better enabled to proudly pass their heritage on to future generations  
13 whole and intact; and

14       Whereas, it is recognized that several programs dedicated to this purpose  
15 already exist, to wit: conservation easements, land trusts, and government ownership;  
16 however, this proposed legislation would enable a single family to permanently  
17 designate the use of their property by statute, and by so recording that designation on  
18 the public registry, this legislation would enable those individual owners to control their  
19 own rights and to proudly pass their property on to future generations in whole and  
20 without fear of future commercial development; Now, therefore,

21 The General Assembly of North Carolina enacts:

22       **SECTION 1.** Article 12 of Chapter 105 of the General Statutes is amended  
23 by adding a new section to read:

24 **"§ 105-277.4A. Agricultural, horticultural, and forestland – Reduced taxation.**

25       (a) Property coming within one of the classes defined in G.S. 105-277.3 and  
26 taxed at present-use value under G.S. 105-277.4 is taxable at fifty percent (50%) of the

1 general tax rate levied on the property by the taxing unit in which the property is  
2 situated if the following conditions are met:

3           (1) The owner donates an easement on the property requiring the property  
4           to continue to be used in a manner consistent with its current use.

5           (2) The easement is made in perpetuity."

6           **SECTION 2.** This act is effective for taxable years beginning on or after  
7 July 1, 2008.