## GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2007

S SENATE BILL 1305

Short Title: Present-Use Value Easement Tax Credit. (Public)

Sponsors: Senator Queen.

Referred to: Finance.

## March 26, 2007

A BILL TO BE ENTITLED

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

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

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

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

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

The General Assembly of North Carolina enacts:

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

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

(a) Property coming within one of the classes defined in G.S. 105-277.3 and taxed at present-use value under G.S. 105-277.4 is taxable at fifty percent (50%) of the general tax rate levied on the property by the taxing unit in which the property is situated if the following conditions are met:

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1	<u>(1)</u>	The owner donates an easement on the property requiring the property
2		to continue to be used in a manner consistent with its current use.
3	<u>(2)</u>	The easement is made in perpetuity."
4	SECT	<b>TION 2.</b> This act is effective for taxable years beginning on or after
5	July 1, 2008.	