

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE DRS15355-LAz-24 (04/08)

Short Title: Expand PUV.

(Public)

Sponsors: Senators Tillman, Clodfelter, Blue, Brunstetter, Hartsell, Hoyle, Jenkins, and Stein.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO EXPAND THE EXCEPTIONS TO OWNERSHIP REQUIREMENTS FOR
3 AGRICULTURAL LAND UNDER THE PROPERTY TAX PRESENT-USE VALUE
4 PROGRAM.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 105-277.3(b2) reads as rewritten:

7 "§ 105-277.3. Agricultural, horticultural, and forestland – Classifications.

8 ...

9 (b2) (Effective for taxes imposed for taxable years beginning on or after July 1,
10 2008) Exceptions to Ownership Requirements. – Notwithstanding the provisions of subsections
11 (b) and (b1) of this section, land may qualify for classification in the hands of the new owner if
12 ~~all of the conditions listed in~~ either subdivision of this subsection ~~are~~is met, even if the new
13 owner does not meet all of the ownership requirements of subsections (b) and (b1) of this
14 section with respect to the land.

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

22 a. The land was appraised at its present use value at the time title to the
23 land passed to the new owner.
24 b. The new owner acquires the land and continues to use the land for
25 the purpose for which it was classified under subsection (a) of this
26 section while under previous ownership.
27 c. The new owner has timely filed an application as required by
28 G.S. 105-277.4(a) and has certified that the new owner accepts
29 liability for any deferred taxes and intends to continue the present use
30 of the land.

31 (2) Expansion of existing unit. – Land qualifies for classification in the hands of
32 the new owner ~~if, at if one of the following conditions listed in this~~
33 subdivision is met. The new owner must timely file an application as
34 required by G.S. 105-277.4(a). The conditions are:



- 1 a. At the time title passed to the new owner, the land was not appraised
2 at its present-use value but was being used for the same purpose and
3 was eligible for appraisal at its present-use value as other land
4 already owned by the new owner and classified under subsection (a)
5 of this section.
- 6 b. At the time title passed to the new owner, the land was not eligible
7 for appraisal at present-use value, but the new owner owns other land
8 that is classified as agricultural land under subsection (a) of this
9 section and acquires the new land for agricultural use. The recently
10 acquired land loses its present-use value eligibility, if the new owner
11 does not begin using the land as agricultural land within one year
12 from the date of acquisition."

13 **SECTION 2.** This act becomes effective for taxes imposed for taxable years
14 beginning on or after July 1, 2011, and applies to property acquired on or after January 1, 2010.