

GENERAL ASSEMBLY OF NORTH CAROLINA
1985 SESSION

CHAPTER 667
SENATE BILL 279

AN ACT TO CLARIFY THE TYPE LAND THAT QUALIFIES FOR TAXATION AT
ITS PRESENT-USE VALUE AND TO MAKE TECHNICAL CHANGES
CONCERNING ELIGIBILITY FOR PRESENT-USE VALUE TAXATION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-277.2(1), (2), (3), and (4) are rewritten to read:

"(1) 'Agricultural land' means land that is a part of a farm unit that is actively engaged in the commercial production or growing of crops, plants, or animals under a sound management program. Agricultural land includes woodland and wasteland that is a part of the farm unit, but the woodland and wasteland included in the unit shall be appraised as woodland or wasteland. A farm unit may consist of more than one tract of agricultural land, but at least one of the tracts must meet the minimum size requirement in G.S. 105-277.3(a)(1), and each tract must be under a sound management program.

(2) 'Forestland' means land that is a part of a forest unit that is actively engaged in the commercial growing of trees under a sound management program. Forestland includes wasteland that is a part of the forest unit, but the wasteland included in the unit shall be appraised as wasteland. A forest unit may consist of more than one tract of forestland, but at least one of the tracts must meet the minimum size requirement in G.S. 105- 277.3(a)(3), and each tract must be under a sound management program.

(3) 'Horticultural land' means land that is a part of a horticultural unit that is actively engaged in the commercial production or growing of fruits or vegetables or nursery or floral products under a sound management program. Horticultural land includes woodland and wasteland that is a part of the horticultural unit, but the woodland and wasteland included in the unit shall be appraised as woodland or wasteland. A horticultural unit may consist of more than one tract of horticultural land, but at least one of the tracts must meet the minimum size requirement in G.S. 105-277.3(a)(2), and each tract must be under a sound management program.

(4) 'Individually owned' means owned by:

- a. A natural person; or
- b. A corporation having as its principal business one of the activities described in subdivisions (1), (2), and (3) and whose shareholders are all natural persons actively engaged in the

business of the corporation or a relative of a shareholder who is actively engaged in the business of the corporation."

Sec. 2. G.S. 105-277.3(a) is amended by rewriting subdivisions (1), (2), and (3) to read:

"(1) Individually owned agricultural land consisting of at least 10 acres in actual production and averaging at least one thousand dollars (\$1,000) a year in gross income for the three years preceding January 1 of the year for which the benefit of this section is claimed. Gross income includes income from the sale of the agricultural products produced from the land and any payments received under a governmental soil conservation or land retirement program. Land in actual production includes land under improvements used in the commercial production or growing of crops, plants, or animals.

(2) Individually owned horticultural land consisting of at least five acres in actual production and averaging at least one thousand dollars (\$1,000) a year in gross income for the three years preceding January 1 of the year for which the benefit of this section is claimed. Gross income includes income from the sale of the horticultural products produced from the land and any payments received under a governmental soil conservation or land retirement program. Land in actual production includes land under improvements used in the commercial production or growing of fruits or vegetables or nursery or floral products.

(3) Individually owned forestland consisting of at least 20 acres in actual production, if the property is not included in a farm unit."

Sec. 3. G.S. 105-277.3(b)(2) is rewritten to read:

"(2) Have been owned by the current owner or a relative of the current owner for the four years preceding January 1 of the year for which the benefit of this section is claimed."

Sec. 4. G.S. 105-277.2 is amended by adding a new subdivision (6) to read as follows and by renumbering the succeeding subdivision accordingly:

"(6) 'Relative' means:

- a. A spouse;
- b. A lineal ancestor;
- c. A lineal descendant;
- d. A brother or sister, including a stepbrother or stepsister;
- e. An adopted or adoptive child, parent, grandchild, or grandparent; or
- f. A spouse of a person listed in paragraphs b. through e."

Sec. 5. The third sentence of G.S. 105-277.4(c) is amended by deleting the phrase "spouse, child or sibling" and substituting the word "relative" and by deleting the phrase "such an enumerated family member" and substituting the words "a relative".

Sec. 6. G.S. 105-277.4(a) is amended in the first sentence by deleting the phrase "but having a greater value for other uses".

Sec. 6.1. G.S. 105-277.3(c) is amended by inserting between the words "value" and "pursuant" the phrase "or was eligible for appraisal at its present use value".

Sec. 7. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 10th day of July, 1985.