

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 1311

Short Title: Use Value Rollback.

(Public)

Sponsors: Representatives Jack Hunt, James (Co-sponsors); Lutz, Culpepper, Rogers, and Hall.

Referred to: Finance.

May 10, 1993

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE THAT WHEN FARMLAND THAT IS TAXED ON THE
2 BASIS OF ITS PRESENT USE VALUE IS CONVEYED BY THE OWNER TO
3 THE LESSEE WHO WAS ALREADY CULTIVATING THE LAND, THERE IS
4 NO ROLLBACK OF DEFERRED TAXES.
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6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 105-277.3(c) reads as rewritten:

8 "(c) In addition, property may come within one of the classifications described in
9 subsection (a) ~~above, if (i) it of this section if, at the time title passed to the present~~
10 owner, the property was appraised at its present use value or was eligible for appraisal at
11 its present use value pursuant to that subsection at the time title to the property passed to the
12 present owner, and (ii) at the time title to the property passed to the present owner he owned
13 other property classified under subsection (a). ~~subsection (a).~~ subsection (a) and one of the following
14 conditions was present: (i) the present owner owned other property classified under
15 subsection (a) or (ii) the present owner was renting the property from the former owner
16 and cultivating it. Classification pursuant to this subsection shall not affect any liability
17 for deferred taxes under G.S. 105-277.4(c) if such taxes were otherwise due at the time
18 title passed to the present owner."

19 Sec. 2. G.S. 105-277.4(c) reads as rewritten:

20 "(c) Property meeting the conditions herein set forth shall be taxed on the basis of
21 the value of the property for its present use. The difference between the taxes due on the
22 present-use basis and the taxes which would have been payable in the absence of this
23 classification, together with any interest, penalties or costs that may accrue thereon,

1 shall be a lien on the real property of the taxpayer as provided in G.S. 105-355(a). The
2 difference in taxes shall be carried forward in the records of the taxing unit or units as
3 ~~deferred taxes, but shall not be payable, unless and until taxes and, except as provided in~~
4 G.S. 105-277.3(c), become payable only if one or more of the following conditions
5 occur: (i) the owner conveys the property to anyone other than a relative of the owner,
6 ~~or~~—(ii) ownership of the property passes to anyone other than a relative by will or
7 intestacy, ~~or~~—(iii) ownership of the property passes to a corporation as defined in G.S.
8 105-277.2(4)b from anyone other than its principal shareholders or from such a
9 corporation to anyone other than its principal shareholders, or (iv) the property loses its
10 eligibility for the benefit of this classification for some other reason. The tax for the
11 fiscal year that opens in the calendar year in which a disqualification occurs shall be
12 computed as if the property had not been classified for that year, and taxes for the
13 preceding three fiscal years which have been deferred as provided herein, shall
14 immediately be payable, together with interest thereon as provided in G.S. 105-360 for
15 unpaid taxes which shall accrue on the deferred taxes due herein as if they had been
16 payable on the dates on which they originally became due. If only a part of the
17 qualifying tract of land loses its eligibility, a determination shall be made of the amount
18 of deferred taxes applicable to that part and that amount shall become payable with
19 interest as provided above. Upon the payment of any taxes deferred in accordance with
20 this section for the three years immediately preceding a disqualification, all liens arising
21 under this subsection shall be extinguished."

22 Sec. 3. This act is effective for taxes imposed for taxable years beginning on
23 or after July 1, 1993. Notwithstanding the provisions of G.S. 105-277.4(a), an
24 application for the benefit provided in this act for the 1993-94 tax year shall be
25 considered timely if it is filed on or before September 1, 1993.