

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 1103

Short Title: Use Value Rollback Modified.

(Public)

Sponsors: Senators Kinnaird, Lee; Albertson, Clodfelter, Dalton, Gulley, Lucas, Martin of Guilford, and Phillips.

Referred to: Finance.

April 15, 1999

A BILL TO BE ENTITLED

1 AN ACT TO ELIMINATE ROLLBACK OF DEFERRED TAXES WHEN USE
2 VALUE PROPERTY IS TRANSFERRED BETWEEN FARMERS, WITHOUT
3 EXTINGUISHING THE LIEN FOR THE DEFERRED TAXES.
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5 The General Assembly of North Carolina enacts:

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

7 "(b2) Exception to Ownership Requirements. — ~~G.S. 105-277.4(e) provides that~~
8 ~~deferred taxes are payable if land fails to meet any condition or requirement for~~
9 ~~classification. Accordingly, Notwithstanding the provisions of this section, if land fails~~
10 ~~to meet an ownership requirement due to a change of ownership, G.S. 105-277.4(e)~~
11 ~~applies. Despite this failure and the resulting liability for taxes under G.S. 105-277.4(e),~~
12 ~~the land may qualify for classification in the hands of the new owner if it meets both of~~
13 ~~the conditions listed below. In addition, G.S. 105-277.4(c) provides that deferred taxes~~
14 ~~are payable if land fails to meet any condition or requirement for classification.~~
15 ~~Notwithstanding the provisions of G.S. 105-277.4(c), if land fails to meet an ownership~~
16 ~~requirement due to a change of ownership, but the land meets both of the conditions~~
17 ~~listed below, no deferred taxes are payable under G.S. 105-277.4(c). The lien for the~~
18 ~~deferred taxes is not extinguished, however, upon transfer to the new owner, and the~~
19 ~~deferred taxes remain a lien on the land under G.S. 105-277.4(c). Land qualifies for the~~

1 exceptions provided in this subsection if it meets both of the following conditions: if both
2 of the following conditions are met, even if the new owner does not meet all of the
3 ownership requirements of subsections (b) and (b1) of this section with respect to the
4 land:

- 5 (1) The land was appraised at its present use value or was eligible for
6 appraisal at its present use value at the time title to the land passed to
7 the new owner.
8 (2) At the time title to the land passed to the new owner, the owner owned
9 other land classified under subsection (a)."

10 Section 2. This act is effective for taxes imposed for taxable years beginning
11 on or after July 1, 1999.