

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

**S**

**1**

**SENATE BILL 145**

Short Title: Use Value Rollback Modified.

(Public)

---

Sponsors: Senators Kinnaird; Albertson, Ballance, Carter, Cunningham, Gulley, Harris, Lee, Metcalf, Purcell, Warren, Weinstein, and Wellons.

---

Referred to: Finance.

---

February 14, 2001

A BILL TO BE ENTITLED

AN ACT TO ELIMINATE ROLLBACK OF DEFERRED TAXES WHEN USE  
VALUE PROPERTY IS TRANSFERRED BETWEEN FARMERS, WITHOUT  
EXTINGUISHING THE LIEN FOR THE DEFERRED TAXES.

The General Assembly of North Carolina enacts:

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

"(b2) Exception to Ownership Requirements. — ~~G.S. 105-277.4(e) provides that deferred taxes are payable if land fails to meet any condition or requirement for classification. Accordingly, Notwithstanding the provisions of this section, if land fails to meet an ownership requirement due to a change of ownership, G.S. 105-277.4(e) applies. Despite this failure and the resulting liability for taxes under G.S. 105-277.4(c), the land may qualify for classification in the hands of the new owner if it meets both of the conditions listed below. In addition, G.S. 105-277.4(c) provides that deferred taxes are payable if land fails to meet any condition or requirement for classification. Notwithstanding the provisions of G.S. 105-277.4(c), if land fails to meet an ownership requirement due to a change of ownership, but the land meets both of the conditions listed below, no deferred taxes are payable under G.S. 105-277.4(c). The lien for the deferred taxes is not extinguished, however, upon transfer to the new owner, and the deferred taxes remain a lien on the land under G.S. 105-277.4(c). Land qualifies for the exceptions provided in this subsection if it meets both of the following conditions: # both of the following conditions are met, even if the new owner does not meet all of the ownership requirements of subsections (b) and (b1) of this section with respect to the land:~~

- (1) The land was appraised at its present use value or was eligible for appraisal at its present use value at the time title to the land passed to the new owner.

1                   (2)    At the time title to the land passed to the new owner, the owner owned  
2                            other land classified under subsection (a)."

3                   **SECTION 2.** This act is effective for taxes imposed for taxable years  
4 beginning on or after July 1, 2001.