

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 2002

Short Title: Clarify Property Tax For Conservation Land. (Public)

Sponsors: Representatives Harrison, Carney, Cotham, Allen (Primary Sponsors); Alexander, Blue, Bordsen, Brown, Brubaker, Bryant, Coates, Coleman, Current, Faison, Fisher, Gibson, Glazier, Goforth, Haire, Hall, T. Harrell, Holliman, Insko, Jones, Justice, Lucas, Martin, McComas, McLawhorn, Pierce, Rapp, Samuelson, Tarleton, Tolson, Underhill, Wilkins, Williams, Womble, and Wray.

Referred to: Finance.

May 10, 2007

A BILL TO BE ENTITLED

1 AN ACT TO MODIFY THE CLASSES OF PROPERTY EXCLUDED FROM THE
2 TAX BASE.
3

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-275 reads as rewritten:

6 "**§ 105-275. Property classified and excluded from the tax base.**

7 The following classes of property are hereby designated special classes under
8 authority of Article V, Sec. 2(2), of the North Carolina Constitution and shall not be
9 listed, appraised, assessed, or taxed:

10 ...

11 (12) Real property owned by a nonprofit corporation or association
12 ~~exclusively primarily~~ held and used by its owner for ~~educational and~~
13 ~~scientific~~ educational, scientific, recreational, or ecological purposes as
14 a protected natural area. (For purposes of this subdivision, the term
15 "protected natural area" means a nature reserve or park in which ~~all~~
16 ~~types of~~ wild nature, flora and fauna, and biotic communities are
17 preserved for ~~observation~~ observation, recreation, and study.")

18 **SECTION 2.** G.S. 105-275 is amended by adding a new subdivision to read:

19 "**§ 105-275. Property classified and excluded from the tax base.**

20 The following classes of property are hereby designated special classes under
21 authority of Article V, Sec. 2(2), of the North Carolina Constitution and shall not be
22 listed, appraised, assessed, or taxed:

23 ...

1 (29b) Real property and easements wholly and exclusively held and used for
2 nonprofit land conservation purposes by a nonprofit land trust or other
3 organization authorized to hold conservation agreements as defined in
4 G.S. 121-35(1), including the following:

5 a. Real property owned by a nonprofit corporation organized for
6 land conservation purposes and held by its owner exclusively
7 for sale under a conservation agreement prepared and recorded
8 under the provisions of the Conservation and Historic
9 Preservation Agreements Act, Article 4, Chapter 121 of the
10 General Statutes.

11 b. Real property held by a nonprofit land conservation
12 organization for future sale or transfer to a local, state, or
13 federal government unit for conservation purposes. Property
14 may be classified under this sub-subdivision for no more than
15 five years. The taxes that would otherwise be due on land
16 classified under this sub-subdivision shall be a lien on the real
17 property of the taxpayer as provided in G.S. 105-355(a). The
18 taxes shall be carried forward in the records of the taxing unit or
19 units as deferred taxes and shall be payable five years from the
20 fiscal year the exclusion is first claimed unless the real property
21 is sold or transferred to a local, state, or federal government unit
22 for conservation purposes during that time. If the real property
23 is not sold or transferred to a local, state, or federal government
24 unit for conservation purposes within five years, then deferred
25 taxes for the preceding five fiscal years shall immediately be
26 payable, together with interest as provided in G.S. 105-360 for
27 unpaid taxes that shall accrue on the deferred taxes as if they
28 had been payable on the dates on which they would originally
29 become due. All liens arising under this sub-subdivision are
30 extinguished upon either the payment of any deferred taxes
31 under this sub-subdivision or upon the sale or transfer of the
32 real property to a local, state, or federal government unit for
33 conservation purposes within the five-year period allowed
34 under this sub-subdivision."

35 **SECTION 3.** This act is effective for taxes imposed for taxable years
36 beginning on or after July 1, 2008.