

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE DRH10199-MCx-135 (4/9)

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

Sponsors: Representatives Harrison and Carney (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

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

The General Assembly of North Carolina enacts:

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

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

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

...

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

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

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

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

...

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

- 1 a. Real property owned by a nonprofit corporation organized for
2 land conservation purposes and held by its owner exclusively
3 for sale under a conservation agreement prepared and recorded
4 under the provisions of the Conservation and Historic
5 Preservation Agreements Act, Article 4, Chapter 121 of the
6 General Statutes.
- 7 b. Real property held by a nonprofit land conservation
8 organization for future sale or transfer to a local, state, or
9 federal government unit for conservation purposes. Property
10 may be classified under this sub-subdivision for no more than
11 five years. The taxes that would otherwise be due on land
12 classified under this sub-subdivision shall be a lien on the real
13 property of the taxpayer as provided in G.S. 105-355(a). The
14 taxes shall be carried forward in the records of the taxing unit or
15 units as deferred taxes and shall be payable five years from the
16 fiscal year the exclusion is first claimed unless the real property
17 is sold or transferred to a local, state, or federal government unit
18 for conservation purposes during that time. If the real property
19 is not sold or transferred to a local, state, or federal government
20 unit for conservation purposes within five years, then deferred
21 taxes for the preceding five fiscal years shall immediately be
22 payable, together with interest as provided in G.S. 105-360 for
23 unpaid taxes that shall accrue on the deferred taxes as if they
24 had been payable on the dates on which they would originally
25 become due. All liens arising under this sub-subdivision are
26 extinguished upon either the payment of any deferred taxes
27 under this sub-subdivision or upon the sale or transfer of the
28 real property to a local, state, or federal government unit for
29 conservation purposes within the five-year period allowed
30 under this sub-subdivision."

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