

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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HOUSE BILL 320  
Senate Finance Committee Substitute Adopted 6/14/18

Short Title: PUV Changes.

(Public)

Sponsors:

Referred to:

March 13, 2017

1 A BILL TO BE ENTITLED  
2 AN ACT TO EXPAND THE TYPES OF LAND THAT CAN QUALIFY FOR PRESENT-USE  
3 VALUE TAXATION AS WILDLIFE CONSERVATION LAND.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-277.15 reads as rewritten:

6 "**§ 105-277.15. Taxation of wildlife conservation land.**

7 (a) Definitions. – The following definitions apply in this section:

8 (1) Business entity. – Defined in G.S. 105-277.2.

9 (2) Family business entity. – A business entity whose members are, directly or  
10 indirectly, individuals and are relatives. An individual is indirectly a member  
11 of a business entity if the individual is a member of a business entity or a  
12 beneficiary of a trust that is part of the ownership structure of the business  
13 entity.

14 (3) Family trust. – A trust that was created by an individual and whose  
15 beneficiaries are, directly or indirectly, individuals who are the creator of the  
16 trust or a relative of the creator. An individual is indirectly a beneficiary of a  
17 trust if the individual is a beneficiary of another trust or a member of a  
18 business entity that has a beneficial interest in the trust.

19 (4) Member. – Defined in G.S. 105-277.2.

20 (5) Relative. – Defined in G.S. 105-277.2.

21 (b) Classification. – Wildlife conservation land is designated a special class of property  
22 under Article V, Section 2(2) of the North Carolina Constitution and must be appraised, assessed,  
23 and taxed in accordance with this section. Wildlife conservation land classified under this section  
24 must be appraised and assessed as if it were classified under G.S. 105-277.3 as agricultural land.

25 (c) Requirements. – Land qualifies as wildlife conservation land if it meets the following  
26 size, ownership, and use requirements:

27 (1) Size. – The land must consist of at least 20 contiguous acres.

28 (2) Ownership. – The land must be owned by an individual, a family business  
29 entity, or a family trust and must have been owned by the same owner for the  
30 previous five years, except as follows:

31 a. If the land is owned by a family business entity, the land meets the  
32 ownership requirement if the land was owned by one or more members  
33 of the family business entity for the required time.

34 b. If the land is owned by a family trust, the land meets the ownership  
35 requirement if the land was owned by one or more beneficiaries of the  
36 family trust for the required time.



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- 1 c. If an owner acquires land that was classified as wildlife conservation  
2 land under this section when it was acquired and the owner continues  
3 to use the land as wildlife conservation land, then the land meets the  
4 ownership requirement if the new owner files an application and signs  
5 the wildlife habitat conservation agreement in effect for the property  
6 within 60 days after acquiring the property.
- 7 (3) Use. – The land must meet all of the following requirements:
- 8 a. The land must be managed under a written wildlife habitat  
9 conservation agreement with the North Carolina Wildlife Resources  
10 Commission that is in effect as of January 1 of the year for which the  
11 benefit of this section is claimed and that requires the owner to do one  
12 or more of the following:
- 13 1. Protect an animal species that lives on the land and, as of  
14 January 1 of the year for which the benefit of this section is  
15 claimed, is on a North Carolina protected animal list published  
16 by the Commission under G.S. 113-333.
- 17 2. Conserve any of the following priority animal wildlife habitats:  
18 longleaf pine forest, early successional habitat, small wetland  
19 community, stream and riparian zone, rock outcrop, or bat  
20 cave.
- 21 3. Create and actively and regularly use as a reserve for hunting,  
22 fishing, shooting, wildlife observation, or wildlife activities,  
23 provided that the land is inspected by a certified wildlife  
24 biologist at least quintennially to ensure that at least three of  
25 the seven activities listed in this sub-sub-subdivision are  
26 maintained to propagate a sustaining breeding, migrating, or  
27 wintering population of indigenous wild animals for human  
28 use, including food, medicine, or recreation. The Commission  
29 shall adopt rules needed to administer the inspection  
30 requirements of and activities mandated by this  
31 sub-sub-subdivision.
- 32 I. Supplemental food.  
33 II. Supplemental water.  
34 III. Supplemental shelter.  
35 IV. Habitat control.  
36 V. Erosion control.  
37 VI. Predator control.  
38 VII. Census of animal population on the land.
- 39 b. ~~For land used pursuant to sub-sub-subdivisions 1. or 2. of~~  
40 ~~sub-subdivision a. of this subdivision, it must have been classified~~  
41 ~~under G.S. 105-277.3 when the wildlife habitat conservation~~  
42 ~~agreement was signed or the owner must demonstrate to both the~~  
43 ~~Wildlife Resources Commission and the assessor that the owner used~~  
44 ~~the land for a purpose specified in the signed wildlife habitat~~  
45 ~~conservation agreement for three years preceding the January 1 of the~~  
46 ~~year for which the benefit of this section is claimed.~~
- 47 (d) Restrictions. – The following restrictions apply to the classification allowed under  
48 this section:
- 49 (1) ~~No~~ For land used pursuant to sub-sub-subdivision 3. of sub-subdivision a. of  
50 subdivision (3) of subsection (c) of this section, no more than 800 acres of an  
51 owner's land in a county may be classified under this section. For all other

- 1                    land classified under this section, no more than 100 acres of an owner's land  
2                    in a county may be classified under this section.
- 3                    (2)        Land owned by a business entity is not eligible for classification under this  
4                    section if the business entity is a corporation whose shares are publicly traded  
5                    or one of its members is a corporation whose shares are publicly traded.
- 6                    (e)        Deferred Taxes. – The difference between the taxes that are due on wildlife  
7                    conservation land classified under this section and that would be due if the land were taxed on  
8                    the basis of its true value is a lien on the property. The difference in taxes must be carried forward  
9                    in the records of each taxing unit as deferred taxes. The deferred taxes for the preceding three  
10                    fiscal years are due and payable in accordance with G.S. 105-277.1F when the land loses its  
11                    eligibility for deferral as a result of a disqualifying event. A disqualifying event occurs when the  
12                    property no longer qualifies as wildlife conservation land.
- 13                    (f)        Exceptions to Payment. – No deferred taxes are due in the following circumstances  
14                    and the deferred taxes remain a lien on the land:
- 15                    (1)        When the owner of wildlife conservation land that was previously classified  
16                    under G.S. 105-277.3 before the wildlife habitat conservation agreement was  
17                    signed does not transfer the land and the land again becomes eligible for  
18                    classification under G.S. 105-277.3. In this circumstance, the deferred taxes  
19                    are payable in accordance with G.S. 105-277.3.
- 20                    (2)        When land that is classified under this section is transferred to an owner who  
21                    signed the wildlife habitat conservation agreement in effect for the land at the  
22                    time of the transfer and the land remains classified under this section. In this  
23                    circumstance, the deferred taxes are payable in accordance with this section.
- 24                    (g)        Exceptions to Payment and Lien. – Notwithstanding subsection (e) of this section, if  
25                    land loses its eligibility for deferral solely due to one of the following reasons, no deferred taxes  
26                    are due and the lien for the deferred taxes is extinguished:
- 27                    (1)        The property is conveyed by gift to a nonprofit organization and qualifies for  
28                    exclusion from the tax base under G.S. 105-275(12) or G.S. 105-275(29).
- 29                    (2)        The property is conveyed by gift to the State, a political subdivision of the  
30                    State, or the United States.
- 31                    (h)        Administration. – An owner who applies for the classification allowed under this  
32                    section must attach a copy of the owner's written wildlife habitat agreement required under  
33                    subsection (c) of this section. An owner who fails to notify the county assessor when land  
34                    classified under this section loses its eligibility for classification is subject to a penalty in the  
35                    amount set in G.S. 105-277.5."

36                    **SECTION 2.** This act is effective for taxes imposed for taxable years beginning on  
37                    or after July 1, 2019.