

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

**SESSION LAW 2005-293  
HOUSE BILL 705**

AN ACT TO ALLOW BUYOUT PAYMENTS TO COUNT TOWARDS THE ONE THOUSAND DOLLAR GROSS INCOME REQUIREMENT FOR AGRICULTURAL LAND FOR PRESENT-USE VALUE TAX EXEMPTIONS.

The General Assembly of North Carolina enacts:

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

**"§ 105-277.3. Agricultural, horticultural, and forestland – Classifications.**

(a) Classes Defined. – The following classes of property are designated special classes of property under authority of Section 2(2) of Article V of the North Carolina Constitution and must be appraised, assessed, and taxed as provided in G.S. 105-277.2 through G.S. 105-277.7.

(1) Agricultural land. – Individually owned agricultural land consisting of one or more tracts, one of which consists of at least 10 acres that are in actual production and that, for the three years preceding January 1 of the year for which the benefit of this section is claimed, have produced an average gross income of at least one thousand dollars (\$1,000). Gross income includes income from the sale of the agricultural products produced from the ~~land and land~~, any payments received under a governmental soil conservation or land retirement ~~program~~ program, and the amount paid to the taxpayer during the taxable year pursuant to P.L. 108-357, Title VI, Fair and Equitable Tobacco Reform Act of 2004. Land in actual production includes land under improvements used in the commercial production or growing of crops, plants, or animals."

**SECTION 2.** This act is effective for taxes imposed for taxable years beginning on or after July 1, 2005.

In the General Assembly read three times and ratified this the 11<sup>th</sup> day of August, 2005.

s/ Beverly E. Perdue  
President of the Senate

s/ James B. Black  
Speaker of the House of Representatives

s/ Michael F. Easley  
Governor

Approved 2:57 p.m. this 22<sup>nd</sup> day of August, 2005