

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 884

Short Title: Wildlife Conservation - Present-use Value.

(Public)

Sponsors: Senator Hartsell.

Referred to: Finance.

April 3, 2003

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH WILDLIFE AND OTHER CONSERVATION LAND AS A
3 SPECIAL CLASS OF PROPERTY SUBJECT TO PRESENT-USE VALUE AND
4 TO MAKE OTHER CHANGES REGARDING PRESENT-USE VALUE.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-277.2 reads as rewritten:

7 "**§ 105-277.2. Agricultural, horticultural, wildlife, and forestland – Definitions.**

8 The following definitions apply in G.S. 105-277.3 through G.S. 105-277.7:

9 (1) Agricultural land. – Land that is a part of a farm unit that is actively
10 engaged in the commercial production or growing of crops, plants, or
11 animals under a sound management program. Agricultural land
12 includes ~~woodland-wildlife land, woodland,~~ and wasteland that is a
13 part of the farm unit, but the ~~woodland-wildlife land, woodland,~~ and
14 wasteland included in the unit must be appraised under the use-value
15 schedules as ~~woodland-wildlife land, woodland,~~ or wasteland. A farm
16 unit may consist of more than one tract of agricultural land, but at least
17 one of the tracts must meet the requirements in G.S. 105-277.3(a)(1),
18 and each tract must be under a sound management program. If the
19 agricultural land includes less than 20 acres of woodland, then the
20 woodland portion is not required to be under a sound management
21 program. Also, woodland is not required to be under a sound
22 management program if it is determined that the highest and best use
23 of the woodland is to diminish wind erosion of adjacent agricultural
24 land, protect water quality of adjacent agricultural land, or serve as
25 buffers for adjacent livestock or poultry operations. If the agricultural
26 land includes less than 10 acres of wildlife land, then the wildlife land
27 portion is not required to be under a sound management program.

28 (1a) Bargain sale. – A transaction conveying an interest in real property
29 that consists of a sale for consideration below fair market value or of a

1 combined sale and donation. To qualify as a bargain sale, the total
2 consideration for all of the property conveyed may not exceed
3 seventy-five percent (75%) of its fair market value.

4 ~~(1a)~~(1b) Business entity. – A corporation, a general partnership, a limited
5 partnership, or a limited liability company.

6 (2) Forestland. – Land that is a part of a forest unit that is actively engaged
7 in the commercial growing of trees under a sound management
8 program. Forestland includes wildlife land and wasteland that is a part
9 of the forest unit, but the wildlife land and wasteland included in the
10 unit must be appraised under the use-value schedules as wildlife land
11 or wasteland. A forest unit may consist of more than one tract of
12 forestland, but at least one of the tracts must meet the requirements in
13 G.S. 105-277.3(a)(3), and each tract must be under a sound
14 management program. If the forestland includes less than 10 acres of
15 wildlife land, then the wildlife land portion is not required to be under
16 a sound management program.

17 (3) Horticultural land. – Land that is a part of a horticultural unit that is
18 actively engaged in the commercial production or growing of fruits or
19 vegetables or nursery or floral products under a sound management
20 program. Horticultural land includes ~~woodland~~wildlife land,
21 woodland, and wasteland that is a part of the horticultural unit, but the
22 ~~woodland~~wildlife land, woodland, and wasteland included in the unit
23 must be appraised under the use-value schedules as ~~woodland~~wildlife
24 land, woodland, or wasteland. A horticultural unit may consist of more
25 than one tract of horticultural land, but at least one of the tracts must
26 meet the requirements in G.S. 105-277.3(a)(2), and each tract must be
27 under a sound management program. If the horticultural land includes
28 less than 20 acres of woodland, then the woodland portion is not
29 required to be under a sound management program. Also, woodland is
30 not required to be under a sound management program if it is
31 determined that the highest and best use of the woodland is to diminish
32 wind erosion of adjacent horticultural land or protect water quality of
33 adjacent horticultural land. If the horticultural land includes less than
34 10 acres of wildlife land, then the wildlife land portion is not required
35 to be under a sound management program.

36 (4) Individually owned. – Owned by one of the following:

37 a. A natural person. For the purpose of this section, a natural
38 person who is an income beneficiary of a trust that owns land
39 may elect to treat the person's beneficial share of the land as
40 owned by that person. If the person's beneficial interest is not an
41 identifiable share of land but can be established as a
42 proportional interest in the trust income, the person's beneficial
43 share of land is a percentage of the land owned by the trust that
44 corresponds to the beneficiary's proportional interest in the trust

1 income. For the purpose of this section, a natural person who is
2 a member of a business entity, other than a corporation, that
3 owns land may elect to treat the person's share of the land as
4 owned by that person. The person's share is a percentage of the
5 land owned by the business entity that corresponds to the
6 person's percentage of ownership in the entity.

7 b. A business entity having as its principal business one of the
8 activities described in subdivisions (1), (2), and (3) and whose
9 members are all natural persons who meet one or more of the
10 following conditions:

- 11 1. The member is actively engaged in the business of the
12 entity.
- 13 2. The member is a relative of a member who is actively
14 engaged in the business of the entity.
- 15 3. The member is a relative of, and inherited the
16 membership interest from, a decedent who met one or
17 both of the preceding conditions after the land qualified
18 for classification in the hands of the business entity.

19 c. A trust that was created by a natural person who transferred the
20 land to the trust and each of whose beneficiaries who is
21 currently entitled to receive income or principal meets one of
22 the following conditions:

- 23 1. Is the creator of the trust or the creator's relative.
- 24 2. Is a second trust whose beneficiaries who are currently
25 entitled to receive income or principal are all either the
26 creator of the first trust or the creator's relatives.

27 d. A testamentary trust that meets all of the following conditions:

- 28 1. It was created by a natural person who transferred to the
29 trust land that qualified in that person's hands for
30 classification under G.S. 105-277.3.
- 31 2. At the time of the creator's death, the creator had no
32 relatives as defined in this section as of the date of death.
- 33 3. The trust income, less reasonable administrative
34 expenses, is used exclusively for educational, scientific,
35 literary, cultural, charitable, or religious purposes as
36 defined in G.S. 105-278.3(d).

37 e. Tenants in common, if each tenant is either a natural person or a
38 business entity described in sub-subdivision b. of this
39 subdivision. Tenants in common may elect to treat their
40 individual shares as owned by them individually in accordance
41 with G.S. 105-302(c)(9). The ownership requirements of
42 G.S. 105-277.3(b) apply to each tenant in common who is a
43 natural person, and the ownership requirements of G.S.

1 105-277.3(b1) apply to each tenant in common who is a
2 business entity.

3 (4a) Member. – A shareholder of a corporation, a partner of a general or
4 limited partnership, or a member of a limited liability company.

5 (5) Present-use value. – The value of land in its current use as agricultural
6 land, horticultural land, ~~or forestland,~~ forestland, or wildlife land, based
7 solely on its ability to produce income and assuming an average level
8 of management. A rate of nine percent (9%) shall be used to capitalize
9 the expected net income of forestland. The capitalization rate for
10 agricultural ~~land and land,~~ horticultural land and land, and wildlife land is
11 to be determined by the Use-Value Advisory Board as provided in
12 G.S. 105-277.7.

13 (5a) Relative. – Any of the following:

- 14 a. A spouse or the spouse's lineal ancestor or descendant.
15 b. A lineal ancestor or a lineal descendant.
16 c. A brother or sister, or the lineal descendant of a brother or
17 sister. For the purposes of this sub-subdivision, the term brother
18 or sister includes stepbrother or stepsister.
19 d. An aunt or an uncle.
20 e. A spouse of a person listed in paragraphs a. through d.

21 For the purpose of this subdivision, an adoptive or adopted relative
22 is a relative and the term "spouse" includes a surviving spouse.

23 (6) Sound management program. – A program of production designed to
24 obtain the greatest net return from the land consistent with its
25 conservation and long-term improvement.

26 (7) Unit. – One or more tracts of agricultural land, horticultural land, ~~or~~
27 ~~forestland,~~ forestland, or wildlife land. Multiple tracts must be under
28 the same ownership. If the multiple tracts are located within different
29 counties, they must be within 50 miles of a tract qualifying under G.S.
30 105-277.3(a) and share one of the following characteristics:

- 31 a. Type of classification.
32 b. Use of the same equipment or labor force.

33 (8) Wildlife land. – Land that is part of a wildlife unit that is actively
34 managed for the conservation of wildlife or other natural resources
35 under a sound management program. Wildlife land includes wasteland
36 that is a part of the wildlife unit, but the wasteland included in the unit
37 must be appraised under the use-value schedules as wasteland. A
38 wildlife unit may consist of more than one tract of wildlife land, but at
39 least one of the tracts must meet the requirements in G.S.
40 105-277.3(a)(4), and each tract must be under a sound management
41 program."

42 SECTION 2. G.S. 105-277.3 reads as rewritten:

43 "§ 105-277.3. Agricultural, horticultural, wildlife, and forestland – Classifications.

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

5 (1) Agricultural land. – Individually owned agricultural land consisting of
6 one or more tracts, one of which consists of at least 10 acres that are in
7 actual production and that, for the three years preceding January 1 of
8 the year for which the benefit of this section is claimed, have produced
9 an average gross income of at least one thousand dollars (\$1,000).
10 Gross income includes income from the sale of the agricultural
11 products produced from the land and any payments received under a
12 governmental soil conservation or land retirement program. Land in
13 actual production includes land under improvements used in the
14 commercial production or growing of crops, plants, or animals.

15 (2) Horticultural land. – Individually owned horticultural land consisting
16 of one or more tracts, one of which consists of at least five acres that
17 are in actual production and that, for the three years preceding January
18 1 of the year for which the benefit of this section is claimed, have met
19 the applicable minimum gross income requirement. Land in actual
20 production includes land under improvements used in the commercial
21 production or growing of fruits or vegetables or nursery or floral
22 products. Land that has been used to produce evergreens intended for
23 use as Christmas trees must have met the minimum gross income
24 requirements established by the Department of Revenue for the land.
25 All other horticultural land must have produced an average gross
26 income of at least one thousand dollars (\$1,000). Gross income
27 includes income from the sale of the horticultural products produced
28 from the land and any payments received under a governmental soil
29 conservation or land retirement program.

30 (3) Forestland. – Individually owned forestland consisting of one or more
31 tracts, one of which consists of at least 20 acres that are in actual
32 production and are not included in a farm unit.

33 (4) Wildlife land. – Individually owned wildlife land consisting of one or
34 more tracts, one of which consists of at least 10 acres that are managed
35 under a sound management program and are not included in a farm
36 unit.

37 (b) Natural Person Ownership Requirements. – In order to come within a
38 classification described in subsection (a) of this section, the land must, if owned by a
39 natural person, also satisfy one of the following conditions:

40 (1) It is the owner's place of residence.

41 (2) It has been owned by the current owner or a relative of the current
42 owner for the four years preceding January 1 of the year for which the
43 benefit of this section is claimed.

1 (3) At the time of transfer to the current owner, it qualified for
2 classification in the hands of a business entity or trust that transferred
3 the land to the current owner who was a member of the business entity
4 or a beneficiary of the trust, as appropriate.

5 (b1) Entity Ownership Requirements. – In order to come within a classification
6 described in subsection (a) of this section, the land must, if owned by a business entity
7 or trust, have been owned by the business entity or trust or by one or more of its
8 members or creators, respectively, for the four years immediately preceding January 1
9 of the year for which the benefit of this section is claimed.

10 (b2) Exception to Ownership Requirements. – Notwithstanding the provisions of
11 subsections (b) and (b1) of this section, land may qualify for classification in the hands
12 of the new owner if all of the conditions listed in this subsection are met, even if the
13 new owner does not meet all of the ownership requirements of subsections (b) and (b1)
14 of this section with respect to the land. If the land qualifies for classification in the
15 hands of the new owner under the provisions of this subsection, then the deferred taxes
16 remain a lien on the land under G.S. 105-277.4(c), the new owner becomes liable for the
17 deferred taxes, and the deferred taxes become payable if the land fails to meet any other
18 condition or requirement for classification.

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

22 (2) At the time title to the land passed to the new owner, the new owner
23 acquires the land for the purposes of and continues to use the land for
24 the purposes it was classified under subsection (a) of this section while
25 under previous ownership.

26 (3) The new owner has timely filed an application as required by
27 G.S. 105-277.4(a) and has certified that the new owner accepts liability
28 for the deferred taxes and intends to continue the present use of the
29 land.

30 (c) Repealed by Session Laws 1995, c. 454, s. 2.

31 (d) Exception for Conservation Reserve Program. – Land enrolled in the federal
32 Conservation Reserve Program authorized by 16 U.S.C. Chapter 58 is considered to be
33 in actual production, and income derived from participation in the federal Conservation
34 Reserve Program may be used in meeting the minimum gross income requirements of
35 this section either separately or in combination with income from actual production.
36 Land enrolled in the federal Conservation Reserve Program must be assessed as
37 agricultural land if it is planted in vegetation other than trees, or as forestland if it is
38 planted in trees.

39 (d1) Exception for Easements on Qualified Conservation Lands Previously
40 Appraised at Use Value. – Property that is appraised at its present-use value under
41 G.S. 105-277.4(b) shall continue to qualify for appraisal, assessment, and taxation as
42 provided in G.S. 105-277.2 through G.S. 105-277.7 as long as the property is subject to
43 an enforceable conservation easement that would ~~qualify~~ qualify, or that would have
44 qualified had it been conveyed through a donation rather than a bargain sale, for the

1 conservation tax credit provided in G.S. 105-130.34 and G.S. 105-151.12, without
2 regard to actual production or income requirements of this section. Notwithstanding
3 G.S. 105-277.3(b) and (b1), subsequent transfer of the property does not extinguish its
4 present-use value eligibility as long as the property remains subject to an enforceable
5 conservation easement that ~~qualifies~~qualifies, or would have qualified had it been
6 conveyed through a donation rather than a bargain sale, for the conservation tax credit
7 provided in G.S. 105-130.34 and G.S. 105-151.12. The exception provided in this
8 subsection applies only to that part of the property that is subject to the easement.

9 (e) Exception for Turkey Disease. – Agricultural land that meets all of the
10 following conditions is considered to be in actual production and to meet the minimum
11 gross income requirements:

12 (1) The land was in actual production in turkey growing within the
13 preceding two years and qualified for present use value treatment
14 while it was in actual production.

15 (2) The land was taken out of actual production in turkey growing solely
16 for health and safety considerations due to the presence of Poulter
17 Enteritis Mortality Syndrome among turkeys in the same county or a
18 neighboring county.

19 (3) The land is otherwise eligible for present use value treatment.

20 (f) Sound Management Program for Agricultural Land and Horticultural Land. –
21 If the property owner demonstrates any one of the following factors with respect to
22 agricultural land or horticultural land, then the land is operated under a sound
23 management program:

24 (1) Enrollment in and compliance with an agency-administered and
25 approved farm management plan.

26 (2) Compliance with a set of best management practices.

27 (3) Compliance with a minimum gross income per acre test.

28 (4) Evidence of net income from the farm operation.

29 (5) Evidence that farming is the farm operator's principal source of
30 income.

31 (6) Certification by a recognized agricultural or horticultural agency
32 within the county that the land is operated under a sound management
33 program.

34 Operation under a sound management program may also be demonstrated by evidence
35 of other similar factors. As long as a farm operator meets the sound management
36 requirements, it is irrelevant whether the property owner received income or rent from
37 the farm operator.

38 (g) Sound Management Program for Forestland. – If the owner of forestland
39 demonstrates that the forestland complies with a written sound forest management plan
40 for the production and sale of forest ~~products~~products that includes the use of best
41 management practices for water quality as adopted by the Department of Environment
42 and Natural Resources, then the forestland is operated under a sound management
43 program.

1 (h) Sound Management Program for Wildlife Land. – If the owner of wildlife
2 land demonstrates that the wildlife land complies with a written sound wildlife
3 management plan that complies with standards established by the Wildlife Resources
4 Commission and the Department of Environment and Natural Resources, then the
5 wildlife land is operated under a sound management program."

6 **SECTION 3.** G.S. 105-277.4 reads as rewritten:

7 **"§ 105-277.4. Agricultural, horticultural, ~~horticultural~~, wildlife, and forestland –**
8 **Application; appraisal at use value; appeal; deferred taxes.**

9 (a) Application. – Property coming within one of the classes defined in
10 G.S. 105-277.3 is eligible for taxation on the basis of the value of the property in its
11 present use if a timely and proper application is filed with the assessor of the county in
12 which the property is located. The application must clearly show that the property
13 comes within one of the classes and must also contain any other relevant information
14 required by the assessor to properly appraise the property at its present-use value. An
15 initial application must be filed during the regular listing period of the year for which
16 the benefit of this classification is first claimed, or within 30 days of the date shown on
17 a notice of a change in valuation made pursuant to G.S. 105-286 or G.S. 105-287. A
18 new application is not required to be submitted unless the property is transferred or
19 becomes ineligible for use-value appraisal because of a change in use or acreage. An
20 application required due to transfer of the land may be submitted at any time during the
21 calendar year but must be submitted within 60 days of the date of the property's transfer.

22 (b) Appraisal at Present-use Value. – Upon receipt of a properly executed
23 application, the assessor must appraise the property at its present-use value as
24 established in the schedule prepared pursuant to G.S. 105-317. In appraising the
25 property at its present-use value, the assessor must appraise the improvements located
26 on qualifying land according to the schedules and standards used in appraising other
27 similar improvements in the county. If all or any part of a qualifying tract of land is
28 located within the limits of an incorporated city or town, or is property annexed subject
29 to G.S. 160A-37(f1) or G.S. 160A-49(f1), the assessor must furnish a copy of the
30 property record showing both the present-use appraisal and the valuation upon which
31 the property would have been taxed in the absence of this classification to the collector
32 of the city or town. The assessor must also notify the tax collector of any changes in the
33 appraisals or in the eligibility of the property for the benefit of this classification. Upon
34 a request for a certification pursuant to G.S. 160A-37(f1) or G.S.160A-49(f1), or any
35 change in the certification, the assessor for the county where the land subject to the
36 annexation is located must, within 30 days, determine if the land meets the requirements
37 of G.S. 160A-37(f1)(2) or G.S. 160A-49(f1)(2) and report the results of its findings to
38 the city.

39 (b1) Appeal. – Decisions of the assessor regarding the qualification or appraisal of
40 property under this section may be appealed to the county board of equalization and
41 review or, if that board is not in session, to the board of county commissioners.
42 Decisions of the county board may be appealed to the Property Tax Commission.

43 (c) Deferred Taxes. – Land meeting the conditions for classification under
44 G.S. 105-277.3 must be taxed on the basis of the value of the land for its present use.

1 The difference between the taxes due on the present-use basis and the taxes that would
2 have been payable in the absence of this classification, together with any interest,
3 penalties, or costs that may accrue thereon, are a lien on the real property of the
4 taxpayer as provided in G.S. 105-355(a). The difference in taxes must be carried
5 forward in the records of the taxing unit or units as deferred taxes. The taxes become
6 due and payable when the land fails to meet any condition or requirement for
7 classification. Failure to have an application approved is ground for disqualification.
8 The tax for the fiscal year that opens in the calendar year in which deferred taxes
9 become due is computed as if the land had not been classified for that year, and taxes
10 for the preceding ~~three~~10 fiscal years that have been deferred are immediately payable,
11 together with interest as provided in G.S. 105-360 for unpaid taxes. Interest accrues on
12 the deferred taxes due as if they had been payable on the dates on which they originally
13 became due. If only a part of the qualifying tract of land fails to meet a condition or
14 requirement for classification, the assessor must determine the amount of deferred taxes
15 applicable to that part and that amount becomes payable with interest as provided
16 above. Upon the payment of any taxes deferred in accordance with this section for the
17 ~~three~~10 years immediately preceding a disqualification, all liens arising under this
18 subsection are extinguished. The deferred taxes for any given year may be paid in that
19 year without the qualifying tract of land becoming ineligible for deferred status.

20 (d) Exceptions. – Notwithstanding the provisions of subsection (c) of this section,
21 if property loses its eligibility for present use value classification solely due to one of
22 the following reasons, no deferred taxes are due and the lien for the deferred taxes is
23 extinguished:

- 24 (1) There is a change in income caused by enrollment of the property in
25 the federal conservation reserve program established under 16 U.S.C.
26 Chapter 58.
- 27 (2) The property is conveyed by gift or bargain sale to a nonprofit
28 organization and qualifies for exclusion from the tax base pursuant to
29 G.S. 105-275(12) or G.S. 105-275(29).
- 30 (3) The property is conveyed by gift or bargain sale to the State, a political
31 subdivision of the State, or the United States.

32 (e) Repealed by Session Laws 1997-270, s. 3, effective July 3, 1997."

33 **SECTION 4.** G.S. 105-277.5 reads as rewritten:

34 "**§ 105-277.5. Agricultural, ~~horticultural~~, horticultural, wildlife, and forestland –**
35 **Notice of change in use.**

36 Not later than the close of the listing period following a change ~~which~~that would
37 disqualify all or a part of a tract of land receiving the benefit of this classification, the
38 property owner shall furnish the assessor with complete information regarding such
39 change. Any property owner who fails to notify the assessor of changes as aforesaid
40 regarding land receiving the benefit of this classification shall be subject to a penalty of
41 ten percent (10%) of the total amount of the deferred taxes and interest thereon for each
42 listing period for which the failure to report continues."

43 **SECTION 5.** G.S. 105-277.6 reads as rewritten:

1 § 105-277.6. ~~Agricultural, horticultural, horticultural, wildlife, and forestland~~ –
2 Appraisal; computation of deferred tax.

3 (a) In determining the amount of the deferred taxes herein provided, the assessor
4 shall use the appraised valuation established in the county's last general revaluation
5 except for any changes made under the provisions of G.S. 105-287.

6 (b) In revaluation years, as provided in G.S. 105-286, all property entitled to
7 classification under G.S. 105-277.3 shall be reappraised at its true value in money and at
8 its present use value as of the effective date of the revaluation. The two valuations shall
9 continue in effect and shall provide the basis for deferred taxes until a change in one or
10 both of the appraisals is required by law. The present use-value schedule, standards, and
11 rules shall be used by the tax assessor to appraise property receiving the benefit of this
12 classification until the next general revaluation of real property in the county as required
13 by G.S. 105-286.

14 (c) Repealed by Session Laws 1987, c. 295, s. 2."

15 **SECTION 6.** G.S. 160A-37(f1) reads as rewritten:

16 "(f1) Property Subject to Present-Use Value Appraisal. – If an area described in an
17 annexation ordinance includes agricultural land, horticultural land, ~~or forestland~~
18 forestland, or wildlife land that meets either of the conditions listed below on the
19 effective date of annexation, then the annexation becomes effective as to that property
20 pursuant to subsection (f2) of this section:

21 (1) ~~Land that~~The land is being taxed at present-use value pursuant to
22 G.S. 105-277.4.

23 (2) ~~Land that~~The land ~~meets~~meets both of the following conditions:

24 a. On the date of the resolution of intent for annexation it was
25 being used for actual production and is eligible for present-use
26 value taxation under G.S. 105-277.4, but the land ~~has had~~had not
27 been in use for actual production for the required time under
28 G.S. 105-277.3.

29 b. The assessor for the county where the land subject to
30 annexation is located has certified to the city that the land meets
31 the requirements of this subdivision."

32 **SECTION 7.** G.S. 160A-49(f1) reads as rewritten:

33 "(f1) Property Subject to Present-Use Value Appraisal. – If an area described in an
34 annexation ordinance includes agricultural land, horticultural land, ~~or~~
35 ~~forestland~~forestland, or wildlife land that ~~meets either of the conditions listed below on~~
36 ~~the effective date of annexation is:~~ annexation, then the annexation becomes effective as
37 to that property pursuant to subsection (f2) of this section:

38 (1) ~~Land that~~The land is being taxed at present-use value pursuant to
39 G.S. ~~105-277.4; or~~105-277.4.

40 (2) ~~Land that:~~The land meets both of the following conditions:

41 a. ~~Was on~~On the date of the resolution of intent for annexation it
42 was being used for actual production and is eligible for
43 present-use value taxation under G.S. 105-277.4, but the land

1 ~~has had~~ not been in use for actual production for the required
2 time under G.S. ~~105-277.3; and~~105-277.3.

3 b. The assessor for the county where the land subject to
4 annexation is located has certified to the city that the land meets
5 the requirements of this ~~subdivision~~subdivision.

6 ~~the annexation becomes effective as to that property pursuant to subsection (f2) of this~~
7 ~~section."~~

8 **SECTION 8.** This act is effective for taxes imposed for taxable years
9 beginning on or after July 1, 2004.