

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE DRS75128-MC-176 (03/25)

Short Title: Enhance Donations of Conservation Land. (Public)

Sponsors: Senator Hartsell.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ENHANCE DONATIONS BY CORPORATE ENTITIES OF DISTRESSED
3 PROPERTIES WITH CONSERVATION VALUES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-130.29(a) reads as rewritten:

6 "(a) Any C Corporation that makes a qualified donation of an interest in real property
7 located in North Carolina during the taxable year that is useful for (i) public beach access or
8 use, (ii) public access to public waters or trails, (iii) fish and wildlife conservation, (iv)
9 forestland or farmland conservation, (v) watershed protection, (vi) conservation of natural areas
10 as that term is defined in G.S. 113A-164.3(3), (vii) conservation of natural or scenic river areas
11 as those terms are used in G.S. 113A-34, (viii) conservation of predominantly natural parkland,
12 or (ix) historic landscape conservation is allowed a credit against the tax imposed by this Part
13 equal to twenty-five percent (25%) of the fair market value of the donated property interest. To
14 be eligible for this credit, the interest in real property must be donated in perpetuity for one of
15 the qualifying uses listed in this subsection and accepted in perpetuity for the qualifying use for
16 which the property is donated. The person to whom the property is donated must be the State, a
17 local government, or a body that is both organized to receive and administer lands for
18 conservation purposes and qualified to receive charitable contributions pursuant to
19 G.S. 105-130.9. Lands required to be dedicated pursuant to local governmental regulation or
20 ordinance and dedications made to increase building density levels permitted under a regulation
21 or ordinance are not eligible for this credit.

22 The credit allowed under this section for one or more qualified donations made in a taxable
23 year may not exceed ~~five hundred thousand dollars (\$500,000)~~ two million dollars
24 (\$2,000,000). To support the credit allowed by this section, the taxpayer must file with the
25 income tax return for the taxable year in which the credit is claimed the following:

- 26 (1) A certification by the Department of Environment and Natural Resources
27 that the property donated is suitable for one or more of the valid public
28 benefits set forth in this subsection.
- 29 (2) A self-contained appraisal report or summary appraisal report as defined in
30 Standards Rule 2-2 in the latest edition of the Uniform Standards of
31 Professional Appraisal Practice as promulgated by the Appraisal Foundation
32 for the property. For fee simple absolute donations of real property, a
33 taxpayer may submit documentation of the county's appraised value of the
34 donated property, as adjusted by the sales assessment ratio, in lieu of an
35 appraisal report."



1 **SECTION 2.** G.S. 105-130.34(a), as rewritten by Section 1 of this act, reads as
2 rewritten:

3 "(a) Any C Corporation that makes a qualified donation of an interest in real property
4 located in North Carolina during the taxable year that is useful for (i) public beach access or
5 use, (ii) public access to public waters or trails, (iii) fish and wildlife conservation, (iv)
6 forestland or farmland conservation, (v) watershed protection, (vi) conservation of natural areas
7 as that term is defined in G.S. 113A-164.3(3), (vii) conservation of natural or scenic river areas
8 as those terms are used in G.S. 113A-34, (viii) conservation of predominantly natural parkland,
9 or (ix) historic landscape conservation is allowed a credit against the tax imposed by this Part
10 equal to twenty-five percent (25%) of the fair market value of the donated property interest. To
11 be eligible for this credit, the interest in real property must be donated in perpetuity for one of
12 the qualifying uses listed in this subsection and accepted in perpetuity for the qualifying use for
13 which the property is donated. The person to whom the property is donated must be the State, a
14 local government, or a body that is both organized to receive and administer lands for
15 conservation purposes and qualified to receive charitable contributions pursuant to
16 G.S. 105-130.9. Lands required to be dedicated pursuant to local governmental regulation or
17 ordinance and dedications made to increase building density levels permitted under a regulation
18 or ordinance are not eligible for this credit.

19 The credit allowed under this section for one or more qualified donations made in a taxable
20 year may not exceed ~~two million dollars (\$2,000,000)~~ five hundred thousand dollars
21 (\$500,000). To support the credit allowed by this section, the taxpayer must file with the
22 income tax return for the taxable year in which the credit is claimed the following:

- 23 (1) A certification by the Department of Environment and Natural Resources
24 that the property donated is suitable for one or more of the valid public
25 benefits set forth in this subsection.
- 26 (2) A self-contained appraisal report or summary appraisal report as defined in
27 Standards Rule 2-2 in the latest edition of the Uniform Standards of
28 Professional Appraisal Practice as promulgated by the Appraisal Foundation
29 for the property. For fee simple absolute donations of real property, a
30 taxpayer may submit documentation of the county's appraised value of the
31 donated property, as adjusted by the sales assessment ratio, in lieu of an
32 appraisal report."

33 **SECTION 3.** Section 2 of this act is effective for taxable years beginning on or
34 after January 1, 2013. The remainder of this act is effective for taxable years beginning on or
35 after January 1, 2011.