

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE BILL 640

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

Sponsors: Senator Hartsell.

Referred to: Finance.

April 19, 2011

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

The General Assembly of North Carolina enacts:

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

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

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

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

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



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

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

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

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