

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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SENATE BILL 155

Short Title: Reduce PUV Entry Time for Farmland. (Public)

Sponsors: Senator Bingham (Primary Sponsor).

Referred to: Rules and Operations of the Senate.

March 4, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO FACILITATE FARMLAND ENTRY INTO THE PRESENT-USE VALUE
3 PROGRAM.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-277.3 reads as rewritten:

6 "**§ 105-277.3. Agricultural, horticultural, and forestland – Classifications.**

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

10 (1) Agricultural land. – Individually owned agricultural land consisting of one
11 or more tracts, one of which satisfies the requirements of this subdivision.
12 For agricultural land used as a farm for aquatic species, as defined in
13 G.S. 106-758, the tract must meet the income requirement for agricultural
14 land and must consist of at least five acres in actual production or produce at
15 least 20,000 pounds of aquatic species for commercial sale annually,
16 regardless of acreage. For all other agricultural land, the tract must meet the
17 income requirement for agricultural land and must consist of at least 10 acres
18 that are in actual production. Land in actual production includes land under
19 improvements used in the commercial production or growing of crops,
20 plants, or animals.

21 To meet the income requirement, agricultural land ~~must,~~must either (i)
22 for the three years preceding January 1 of the year for which the benefit of
23 this section is claimed, have produced an average gross income of at least
24 one thousand dollars (\$1,000).~~(\$1,000) or (ii) for the year preceding January~~
25 1 of the year for which the benefit of this section is claimed have produced a
26 gross income of at least one thousand dollars (\$1,000). Gross income
27 includes income from the sale of the agricultural products produced from the
28 land, any payments received under a governmental soil conservation or land
29 retirement program, and the amount paid to the taxpayer during the taxable
30 year pursuant to P.L. 108-357, Title VI, Fair and Equitable Tobacco Reform
31 Act of 2004.

32 (2) Horticultural land. – Individually owned horticultural land consisting of one
33 or more tracts, one of which consists of at least five acres that are in actual
34 production and ~~that, for the three years preceding January 1 of the year for~~
35 ~~which the benefit of this section is claimed, have~~has met the applicable
36 minimum gross income requirement. Land in actual production includes land



1 under improvements used in the commercial production or growing of fruits
2 or vegetables or nursery or floral products. Land that has been used to
3 produce evergreens intended for use as Christmas trees must have met the
4 minimum gross income requirements established by the Department of
5 Revenue for the land. All other horticultural land must have produced either
6 (i) for the last three years preceding January 1 of the year for which the
7 benefit of this section is claimed an average gross income of at least one
8 thousand dollars (\$1,000). ~~(\$1,000)~~ or (ii) for the year preceding January 1
9 of the year for which the benefit of this section is claimed a gross income of
10 at least one thousand dollars (\$1,000). Gross income includes income from
11 the sale of the horticultural products produced from the land and any
12 payments received under a governmental soil conservation or land
13 retirement program.

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

17 (b) Individual Ownership Requirements. – In order to come within a classification
18 described in subsection (a) of this section, land owned by an individual must also satisfy one of
19 the following conditions:

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

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

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

28"

29 **SECTION 2.** G.S. 105-320 reads as rewritten:

30 "**§ 105-320. Tax receipts; preparation.**

31 (a) No taxing unit shall adopt a tax receipt form until it has been approved by the
32 Department of Revenue, and no tax receipt form shall be approved unless it shows at least the
33 following information:

34 ...

35 (16) Repealed by Session Laws 2014-3, s. 14.20(b), effective May 29, 2014.

36 (17) A summary of the tax benefit and the eligibility requirements for
37 agricultural, horticultural, and forestland under G.S. 105-277.3 and
38 G.S. 105-277.4.

39 (b) Instead of being shown on the tax receipt, the information required in subdivision
40 ~~(16)–(17)~~ of subsection (a) may be shown on a separate sheet furnished to the ~~affected~~
41 taxpayers.

42"

43 **SECTION 3.** This act is effective for taxes imposed for taxable years beginning on
44 or after July 1, 2015.