

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 647

Short Title: Ag. PUV Conservation. (Public)

Sponsors: Representatives Balkcom, Gillespie, Eddins, and N. Jackson (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Agriculture and Environment, if favorable, Finance, if favorable, Rules, Calendar,
and Operations of the House

April 2, 2025

A BILL TO BE ENTITLED
AN ACT TO ALLOW PROPERTY OWNED BY CERTAIN CONSERVATION ENTITIES TO
BE TAXED AT PRESENT-USE VALUE.

The General Assembly of North Carolina enacts:

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

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

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

...
(1b) Conservation holder. – A nonprofit or private corporation that qualifies as a "holder" pursuant to G.S. 121-35(2) and that (i) meets the definition of a "charitable corporation" under G.S. 55A-1-40 and (ii) is organized to receive and administer agricultural land, horticultural land, or forestland, for the purpose of preserving the uses of such land in perpetuity.

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

...
f. A conservation holder.

...."

SECTION 2. G.S. 105-277.3 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.

...

(b2) Exceptions to Ownership Requirements. – Notwithstanding the provisions of subsections (b) and (b1) of this section, land may qualify for classification in the hands of the new owner if all of the conditions listed in ~~either~~ any subdivision of this subsection are met, even if the new owner does not meet all of the ownership requirements of subsections (b) and (b1) of this section with respect to the land.

(1) Continued use. – If the land qualifies for classification in the hands of the new owner under the provisions of this subdivision, then any deferred taxes remain a lien on the land under G.S. 105-277.4(c), the new owner becomes liable for the deferred taxes, and the deferred taxes become payable if the land fails to meet any other condition or requirement for classification. Land qualifies for



classification in the hands of the new owner if all of the following conditions are met:

a. The land was appraised at its ~~present-use~~ present-use value at the time title to the land passed to the new owner.

...

(3) Use by conservation holder. – If the land qualifies for classification in the hands of the new owner under the provisions of this subdivision, then any deferred taxes remain a lien on the land under G.S. 105-277.4(c), the new owner becomes liable for the deferred taxes, and the deferred taxes become payable if the land fails to meet any other condition or requirement for classification. Land qualifies for classification in the hands of the new owner if all of the following conditions are met:

a. The new owner is a conservation holder.

b. The land was appraised at its present-use value at the time title to the land passed to the new owner.

c. The new owner uses the land for purposes consistent with the owner's qualification as a conservation holder.

d. The new owner has timely filed an application as required by G.S. 105-277.4(a) and has certified that the new owner accepts liability for any deferred taxes and intends to use the land for purposes consistent with sub-subdivision c. of this subdivision.

...

(d1) Conservation Easement Exception. – Property that is appraised at its present-use value under G.S. 105-277.4(b) shall continue to qualify for appraisal, assessment, and taxation as provided in G.S. 105-277.2 through G.S. 105-277.7 without regard to actual production or income requirements of this section as long as (i) the property is subject to a qualifying conservation easement that meets the requirements of G.S. 113A-235(a); and (ii) the taxpayer received no more than seventy-five percent (75%) of the fair market value of the donated property interest in compensation. Notwithstanding G.S. 105-277.3(b) and (b1), subsequent transfer of the property does not extinguish its present-use value eligibility as long as the property remains subject to a qualifying conservation easement. The exception provided in this subsection applies only to that part of the property that is subject to the easement.

...

(d4) Conservation Holder Exception. – Property that is appraised at its present-use value under G.S. 105-277.4(b) shall continue to qualify for appraisal, assessment, and taxation as provided in G.S. 105-277.2 through G.S. 105-277.7 without regard to the actual production or income requirements of this section as long as (i) the taxpayer remains a conservation holder and (ii) the taxpayer continues to use the land for purposes consistent with its qualification as a conservation holder.

...."

SECTION 3. This act is effective for taxes imposed for taxable years beginning on or after July 1, 2026.