



HOUSE BILL 320: PUV Changes.

2017-2018 General Assembly

Committee:		Date:	July 23, 2018
Introduced by:		Prepared by:	Nicholas Giddings Staff Attorney
Analysis of:	S.L. 2018-95		

OVERVIEW: *S.L. 2018-95 creates an additional way land may be used to qualify for present-use value (PUV) taxation as wildlife conservation land. Property that qualifies for PUV taxation is appraised and taxed at its present-use value as opposed to its fair market value. S.L. 2018-95 extends the PUV classification and treatment to land that is actively and regularly used as a reserve for hunting, fishing, shooting, wildlife observation, or wildlife activities. If the land qualifies under this new provision, up to 800 acres of land can be classified for PUV taxation.*

This act is effective for taxes imposed for taxable years beginning on or after July 1, 2019.

CURRENT LAW: Since 1973, the General Assembly has provided special property tax treatment for farmland that meets certain ownership, use, and size requirements. Property classified as farmland is appraised and taxed at its present-use value as opposed to its fair market value. When the land becomes disqualified for PUV, the land is taxed at its fair market value for the year it loses its classification, and the deferred taxes for the three previous years become due and payable, with interest.

In 2008, the General Assembly extended PUV treatment to property used for wildlife conservation. To be eligible for this classification, the property must consist of at least 20 acres, be owned by the same owner for the previous five years, and meet both of the following use requirements:

- Managed under a written wildlife habitat conservation agreement with the NC Wildlife Resources Commission (Commission) that requires the owner to do one or more of the following:
 - Protect an animal species that lives on the land and is on a NC protected animal list.
 - Conserve any of the following priority animal wildlife habitats: longleaf pine forest; early successional habitat; small wetland community; stream and riparian zone; rock outcrop; or bat cave.
- Been classified as either agricultural, horticultural, or forest land under the PUV classification when the wildlife conservation agreement was signed, unless the owner can demonstrate to the Commission and the county tax assessor that the owner used the land for a purpose specified in the signed wildlife conservation agreement for three years preceding the year for which the benefit of this special tax treatment is desired.

The wildlife conservation land classification is restricted to no more than 100 acres in a county.

BILL ANALYSIS: S.L. 2018-95 extends the PUV classification and treatment to land that is actively and regularly used as a reserve for hunting, fishing, shooting, wildlife observation, or wildlife activities. The 100-acre restriction is expanded to 800 acres for this classification.

As with the current classification, the land must be managed under a written wildlife habitat conservation agreement with the Commission, but the use requirements would differ as follows:

Karen Cochrane-Brown
Director



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- The owner must have the land inspected at least once every five years by a certified wildlife biologist to ensure that at least three of the seven activities listed below are maintained to propagate a sustaining breeding, migrating, or wintering population of indigenous wild animals for human use, including food, medicine, or recreation:
 - Supplemental food.
 - Supplemental water.
 - Supplemental shelter.
 - Habitat control.
 - Erosion control.
 - Predator control.
 - Census of animal population on the land.
- The land would not be required to have been classified as farmland under the PUV classification when the wildlife conservation agreement was signed, nor would the owner be required to demonstrate to the Commission and the county tax assessor that the land was used for a purpose specified in the signed wildlife conservation agreement for three years preceding the year for which the benefit of the special tax treatment is desired.

EFFECTIVE DATE: This act is effective for taxes imposed for taxable years beginning on or after July 1, 2019.