



# HOUSE BILL 880: PUV for Beekeeping Property.

2017-2018 General Assembly

<b>Committee:</b>	House Finance	<b>Date:</b>	May 23, 2017
<b>Introduced by:</b>	Rep. R. Turner	<b>Prepared by:</b>	Greg Roney Committee Counsel
<b>Analysis of:</b>	PCS to First Edition H880-CSTM-12		

**OVERVIEW:** *The Proposed Committee Substitute (PCS) for House Bill 880 would create a new class of property eligible for present-use valuation (PUV): individually-owned tract used to raise bees or products derived from bee hives (other than honey), producing 3-year average income of \$1,000, housing at least 50 hives, consisting of at least 5-20 acres, and operating under a sound management program.*

**CURRENT LAW:** G.S. 105-277.4(a) allows agricultural land, horticultural land, and forestland to be valued for property tax purposes based on its present use (i.e., not its highest and best use). G.S. 105-277.4(c) makes the deferred taxes (i.e., the difference in tax computed on present use value versus highest and best use value) a lien on the property. The deferred taxes for the preceding 3 years are due when the property loses its eligibility for deferral.

**BILL ANALYSIS:** The PCS for House Bill 880 would allow present-use valuation (PUV) for beekeeping land that meets the following requirements:

- Owned individually as 1 tract
  - 5 acres minimum
  - 20 acre maximum
- Used throughout the year to raise bees for the sale of bees or products derived from bee hives other than honey
- Produced 3-year average gross income of at least \$1,000
- Housed at least 50 hives
- Operated under a sound management program requiring
  - Evidence that the property owner provided forage for the bees
  - Certification by a recognized agricultural agency within the county that the density of bee hives located on the property is appropriate for the size of the tract

**EFFECTIVE DATE:** The PCS for House Bill 880 would be effective for local property taxes imposed for taxable years beginning July 1, 2017. The PCS authorizes PUV for the tax year starting July 1, 2017 if the beekeeping land met the requirements of new G.S. 105-277.3(a)(4) for the last 3 years.

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