

Iredell County- 2023 Reappraisal Uniform Schedule of Values, Standards, and Rules Market Value Schedule

REFERENCE: NC DEPARTMENT OF AGRICULTURE & CONSUMER SERVICES CONSERVATION EASEMENTS

WHAT IS A CONSERVATION EASEMENT?

North Carolina's heartland is changing rapidly. As the area continues to grow exponentially, many concerned citizens seek the means to make a personal contribution towards the preservation of this region's unique character and natural resources. Conservation easements can provide this means.

Conservation easements are voluntary, legal agreements with a land conservancy organization that permanently protect land from subdivision and intensive development. Conservation easements are negotiable documents that match owners' property use needs with long term benefits to their community.

Conservation easements are:

Voluntary

Conservation easements are completely voluntary and appropriate for landowners who wish to permanently protect and preserve the land they love.

Private

Conservation easements do not require access to your land by the public because you retain control of who visits your land. The conservancy will not publicize a conservation easement without your permission.

Permanent

Conservation easements with the conservancy permanently protect land. To qualify for tax benefits, a conservation easement must be made in perpetuity. Although future owners must abide by the easement terms, the land can be bought, sold and inherited the same as all other lands. A competent title search will disclose the easement to future owners.

Flexible

Conservation easements are as unique as the land they protect. The easement can be crafted to meet the specific needs of the owner.

A conservation easement creates a permanent legacy. It is a wonderful way to honor the memory of a family member who instilled a love and respect for land in subsequent generations. Such a decision should not be made in haste.

Due to the uniqueness of every conservation easement it is necessary to review and analyze each easement to determine the relinquished rights as well as the allowable exceptions in order to reflect the value for the property. The Iredell County Assessor's Office with the support of North Carolina Department of Revenue Ad Valorem Tax Division has developed a worksheet to properly value conservation land based on the bundle of rights relinquished by the property owner.

§ 105-277.15. Taxation of wildlife conservation land.

(a) Definitions. - The following definitions apply in this section:

- (1) Business entity. - Defined in G.S. 105-277.2.
- (2) Family business entity. - A business entity whose members are, directly or indirectly, individuals and are relatives. An individual is indirectly a member of a business entity if the individual is a member of a business entity or a beneficiary of a trust that is part of the ownership structure of the business entity.
- (3) Family trust. - A trust that was created by an individual and whose beneficiaries are, directly or indirectly, individuals who are the creator of the trust or a relative of the creator. An individual is indirectly a beneficiary of a trust if the individual is a beneficiary of another trust or a member of a business entity that has a beneficial interest in the trust.
- (4) Member. - Defined in G.S. 105-277.2.
- (5) Relative. - Defined in G.S. 105-277.2.

(b) Classification. - Wildlife conservation land is designated a special class of property under Article V, Section 2(2) of the North Carolina Constitution and must be appraised, assessed, and taxed in accordance with this section. Wildlife conservation land classified under this section must be appraised and assessed as if it were classified under G.S. 105-277.3 as agricultural land.

(c) Requirements. - Land qualifies as wildlife conservation land if it meets the following size, ownership, and use requirements:

- (1) Size. - The land must consist of at least 20 contiguous acres.
- (2) Ownership. - The land must be owned by an individual, a family business entity, or a family trust and must have been owned by the same owner for the previous five years, except as follows:
 - a. If the land is owned by a family business entity, the land meets the ownership requirement if the land was owned by one or more members of the family business entity for the required time.
 - b. If the land is owned by a family trust, the land meets the ownership requirement if the land was owned by one or more beneficiaries of the family trust for the required time.
 - c. If an owner acquires land that was classified as wildlife conservation land under this section when it was acquired and the owner continues to use the land as wildlife conservation land, then the land meets the ownership requirement if the new owner files an application and signs the wildlife habitat conservation agreement in effect for the property within 60 days after acquiring the property.
- (3) **(Effective for taxes imposed for taxable years beginning before July 1, 2019)** Use. - The land must meet all of the following requirements:
 - a. The land must be managed under a written wildlife habitat conservation agreement with the North Carolina Wildlife Resources Commission that is in effect as of January 1 of the year for which the benefit of this section is claimed and that requires the owner to do one or more of the following:
 1. Protect an animal species that lives on the land and, as of January 1 of the year for which the benefit of this section is claimed, is on a North Carolina protected animal list published by the Commission under G.S. 113-333.

2. 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.
 - b. It must have been classified under G.S. 105-277.3 when the wildlife habitat conservation agreement was signed or the owner must demonstrate to both the Wildlife Resources Commission and the assessor that the owner used the land for a purpose specified in the signed wildlife habitat conservation agreement for three years preceding the January 1 of the year for which the benefit of this section is claimed.
- (3) **(Effective for taxes imposed for taxable years beginning on or after July 1, 2019)** Use. - The land must meet all of the following requirements:
- a. The land must be managed under a written wildlife habitat conservation agreement with the North Carolina Wildlife Resources Commission that is in effect as of January 1 of the year for which the benefit of this section is claimed and that requires the owner to do one or more of the following:
 1. Protect an animal species that lives on the land and, as of January 1 of the year for which the benefit of this section is claimed, is on a North Carolina protected animal list published by the Commission under G.S. 113-333.
 2. 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.
 3. Create and actively and regularly use as a reserve for hunting, fishing, shooting, wildlife observation, or wildlife activities, provided that the land is inspected by a certified wildlife biologist at least quintennially to ensure that at least three of the seven activities listed in this sub-sub-subdivision are maintained to propagate a sustaining breeding, migrating, or wintering population of indigenous wild animals for human use, including food, medicine, or recreation. The Commission shall adopt rules needed to administer the inspection requirements of and activities mandated by this sub-sub-subdivision. [The activities are as follows:]
 - I. Supplemental food.
 - II. Supplemental water.
 - III. Supplemental shelter.
 - IV. Habitat control.
 - V. Erosion control.
 - VI. Predator control.
 - VII. Census of animal population on the land.
 - b. For land used pursuant to sub-sub-subdivisions 1. or 2. of sub-subdivision a. of this subdivision, it must have been classified under G.S. 105-277.3 when the wildlife habitat conservation agreement was signed or the owner must demonstrate to both the Wildlife Resources Commission and the assessor that the owner used the land for a purpose specified in the signed wildlife habitat conservation agreement for three years preceding the January 1 of the year for which the benefit of this section is claimed.

(d) (Effective for taxes imposed for taxable years beginning before July 1, 2019) Restrictions. - The following restrictions apply to the classification allowed under this section:

- (1) No more than 100 acres of an owner's land in a county may be classified under this section.
- (2) Land owned by a business entity is not eligible for classification under this section if the business entity is a corporation whose shares are publicly traded or one of its members is a corporation whose shares are publicly traded.

(d) (Effective for taxes imposed for taxable years beginning on or after July 1, 2019) Restrictions. - The following restrictions apply to the classification allowed under this section:

- (1) For land used pursuant to sub-sub-subdivision 3. of sub-subdivision a. of subdivision (3) of subsection (c) of this section, no more than 800 acres of an owner's land in a county may be classified under this section. For all other land classified under this section, no more than 100 acres of an owner's land in a county may be classified under this section.
- (2) Land owned by a business entity is not eligible for classification under this section if the business entity is a corporation whose shares are publicly traded or one of its members is a corporation whose shares are publicly traded.

(e) Deferred Taxes. - The difference between the taxes that are due on wildlife conservation land classified under this section and that would be due if the land were taxed on the basis of its true value is a lien on the property. The difference in taxes must be carried forward in the records of each taxing unit as deferred taxes. The deferred taxes for the preceding three fiscal years are due and payable in accordance with G.S. 105-277.1F when the land loses its eligibility for deferral as a result of a disqualifying event. A disqualifying event occurs when the property no longer qualifies as wildlife conservation land.

(f) Exceptions to Payment. - No deferred taxes are due in the following circumstances and the deferred taxes remain a lien on the land:

- (1) When the owner of wildlife conservation land that was previously classified under G.S. 105-277.3 before the wildlife habitat conservation agreement was signed does not transfer the land and the land again becomes eligible for classification under G.S. 105-277.3. In this circumstance, the deferred taxes are payable in accordance with G.S. 105-277.3.
- (2) When land that is classified under this section is transferred to an owner who signed the wildlife habitat conservation agreement in effect for the land at the time of the transfer and the land remains classified under this section. In this circumstance, the deferred taxes are payable in accordance with this section.

(g) Exceptions to Payment and Lien. - Notwithstanding subsection (e) of this section, if land loses its eligibility for deferral solely due to one of the following reasons, no deferred taxes are due and the lien for the deferred taxes is extinguished:

- (1) The property is conveyed by gift to a nonprofit organization and qualifies for exclusion from the tax base under G.S. 105-275(12) or G.S. 105-275(29).
- (2) The property is conveyed by gift to the State, a political subdivision of the State, or the United States.

(h) Administration. - An owner who applies for the classification allowed under this section must attach a copy of the owner's written wildlife habitat agreement required under subsection (c) of this section. An owner who fails to notify the county assessor when land classified under this section loses its eligibility for classification is subject to a penalty in the amount set in G.S. 105-277.5. (2008-171, s. 1; 2018-95, s. 1.)

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APPRAISAL OF CEMETERIES FOR TAX PURPOSES

§ 105-278.2. Burial property.

(a) Real property set apart for burial purposes shall be exempted from taxation unless it is owned and held for purposes of (i) sale or rental or (ii) sale of burial rights therein. No application is required under G.S. 105-282.1 for property exempt under this subsection. A

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cannot deny the exemption provided under this subsection to a taxpayer that lacks a survey or plat detailing the exempt property.

(b) Taxable real property set apart for human burial purposes is hereby designated a special class of property under authority of Article V, Section 2(2) of the North Carolina Constitution, and it shall be assessed for taxation taking into consideration the following:

- (1) The effect on its value by division and development into burial plots;
- (2) Whether it is irrevocably dedicated for human burial purposes by plat recorded with the Register of Deeds in the county in which the land is located; and
- (3) Whether the owner is prohibited or restricted by law or otherwise from selling, mortgaging, leasing or encumbering the same.

(c) For purposes of this section, the term "real property" includes land, tombs, vaults, monuments, and mausoleums, and the term "burial" includes entombment. (1973, c. 695, s. 4; 1987, c. 724; 2018-113, s. 15.)

PRESENT-USE VALUE ASSESSMENT

For information concerning Present-Use Value Assessment please refer to:

- Chapter 13-Present-Use Value Schedules, Standards, and Rules for 2023 Reappraisal adopted on October 18, 2023.
- Chapter 14-Present-Use Value Assessment Schedule adopted on October 18, 2023 along with the 2019 Use-Value Manual for Agricultural, Horticultural, and Forest Land published in May 2018 by the North Carolina Use-Value Advisory Board and the North Carolina Department of Revenue.
- Chapter 15 –Forms used for Present-Use Value Assessment. These forms can be found on the North Carolina Department of Revenue's website.

<https://www.ncdor.gov/taxes-forms/property-tax/property-tax-forms#present-use-value-forms>