

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1015

Short Title: Crop Allotment Tax Appraisal.

(Public)

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Sponsors: Representatives Russell; Baker, Davis, and Starnes.

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Referred to: Agriculture, if favorable, Finance.

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April 21, 1997

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE  
CONSIDERED IN APPRAISING LAND FOR AD VALOREM TAX PURPOSES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-277.01 reads as rewritten:

"§ 105-277.01. **Certain farm products and land with crop allotments classified for taxation at reduced valuation.**

(a) Farm products (including products, including crops but excluding poultry and other livestock) livestock, held by or for a cooperative stabilization or marketing association or corporation to which they have been delivered, conveyed, or assigned by the original producer for the purpose of sale are hereby designated a special class of property under authority of ~~Article V, Sec. 2(2),~~ Section 2(2) of Article V of the North Carolina Constitution. Before being assessed for taxation the appraised valuation of farm products so classified shall be reduced by the amount of any unpaid loan or advance made or granted thereon by the United States government, an agency of the United States government, or a cooperative stabilization or marketing association or corporation.

(b) Land on which there are acreage or poundage allotments for farm commodities is designated a special class of property under authority of Section 2(2) of Article V of the North Carolina Constitution. The value of these allotments shall not be considered in appraising land classified under this subsection."

1 Section 2. G.S. 105-289(a)(5) reads as rewritten:

2 "(5) To prepare and distribute annually to each assessor a manual that  
3 establishes five expected net income per acre ranges for agricultural  
4 land, horticultural land, and forestland, and establishes a method for  
5 appraising nonproductive land as a percentage of the lowest use-value  
6 established for productive land. The high and low net income amount in  
7 each range may differ by no more than fifteen dollars (\$15.00). The  
8 basis for establishing each range shall be soil productivity.

9 For agricultural land, the expected net income per acre ranges shall  
10 be based on the actual yields and prices of corn and soybeans over a  
11 period of at least the five previous years, and the actual fixed and  
12 variable costs, including an imputed management cost, incurred in  
13 growing corn and soybeans over the same period of time. ~~The manual  
14 shall contain recommended adjustments to the net income per acre ranges for  
15 the growing of crops subject to acreage or poundage allotments.~~

16 Expected net income per acre ranges shall be similarly established  
17 for horticultural land and forestland, using typical horticultural or forest  
18 products in various growing regions of the State instead of corn and  
19 soybeans."

20 Section 3. This act is effective for taxes imposed for taxable years beginning  
21 on or after July 1, 1998.