

**NORTH CAROLINA GENERAL ASSEMBLY  
LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** Senate Bill 508  
**SHORT TITLE:** Turkey Grower Use Value Exemption  
**SPONSOR(S):** Senate Committee substitute

<b>FISCAL IMPACT</b>					
Yes ( )	No ( )	No Estimate Available (X)			
	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>
<b>REVENUES</b>	See section on assumption and methodology				
<b>PRINCIPAL DEPARTMENT(S) &amp; COUNTY UNITS OF LOCAL GOVERNMENT AFFECTED:</b>	County units of local government				
<b>EFFECTIVE DATE:</b>	July 1, 1997				

**BILL SUMMARY:** Agriculture property, as defined in G.S. 105-277.2, that meets certain income and ownership restrictions set forth in G.S. 105-277.3 is eligible for taxation on the basis of the value of the land in its present-use instead of its market value. If present-use property ever fails to meet one of these restrictions then the property loses its present-use eligibility. Once property is disqualified the deferred taxes are due for the three years immediately following the disqualification. The deferred tax, is the difference in the annual taxes paid at present-use and those that would have been paid if the property had been taxed at market value.

The proposed act allows property used in the production of poultry to continue to qualify for present-use taxation if it fails the income restriction for two consecutive years because of disease.

**ASSUMPTIONS AND METHODOLOGY:**

The impact on local governments is temporary. If the property does not qualify for use-value after two years the deferred taxes are due. It is expected that over a two year period the disease affecting the property would be eradicated and if not, the property would be used for some other eligible purpose.

**FISCAL RESEARCH DIVISION**  
**PREPARED BY:** Warren Plonk  
**APPROVED BY:** Tom Covington  
**DATE:** May 5, 1997

Official  
**Fiscal Research Division**  
Publication



**Signed Copy Located in the NCGA Principal Clerk's Offices**