

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 955

Short Title: Riparian Buffers Tax-Exempt.

(Public)

Sponsors: Representative Creech.

Referred to: Finance.

April 8, 1999

A BILL TO BE ENTITLED

1 AN ACT TO EXEMPT FROM PROPERTY TAX RESTRICTED RIPARIAN
2 BUFFERS AND TO REIMBURSE LOCAL GOVERNMENTS FOR THE
3 RESULTING REVENUE LOSS.
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Whereas, owners of riparian land may be required to dedicate part of their land as a riparian buffer, the use of which is restricted; and

Whereas, land maintained as a restricted riparian buffer has little economic value to the owner; and

Whereas, because the land has little economic value if it is required to be maintained as a riparian buffer, the owner should not have to pay property taxes on it; Now, therefore,

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 105-275 is amended by adding a new subdivision to read:

7 "(12a) Restricted riparian buffers. – A restricted riparian buffer is real
8 property that the Environmental Management Commission requires
9 to be maintained in established, undisturbed forest vegetation to
10 serve as a riparian buffer."

11 Section 2. Article 12 of Chapter 105 of the General Statutes is amended by
12 adding a new section to read:

13 "§ 105-275.3. Reimbursement of localities for exclusion of restricted riparian
14 buffers."

1 (a) On September 1 of each year, the tax collector of each county and the tax
2 collector of each city must provide the Secretary of Revenue a list containing the name
3 and address of each person who qualifies for that year for exclusion of restricted riparian
4 buffers under G.S. 105-275. The list must contain for each name the total appraised
5 value of property excluded, the tax rate the property is subject to, and the product
6 obtained by multiplying these two numbers. Each list must be accompanied by an
7 affidavit attesting to its accuracy and be on a form prescribed by the Secretary of
8 Revenue.

9 (b) The Secretary of Revenue may, for cause, grant an extension for the
10 submission of a list required by this section.

11 (c) Before May 31 of each year, the Secretary of Revenue must distribute to the
12 county or city an amount equal to the total for the entire list provided pursuant to
13 subsection (a) of this section of the product obtained by multiplying the value of excluded
14 property for each taxpayer times the applicable tax rate.

15 (d) Any funds received by any county or city pursuant to this section because the
16 county or city was collecting taxes for another unit of government or special district must
17 be credited to the funds of that other unit or district in accordance with regulations issued
18 by the Local Government Commission.

19 (e) In order to pay for the reimbursement under this section and the cost to the
20 Department of Revenue of administering the reimbursement, the Secretary of Revenue
21 must draw from the Clean Water Management Trust Fund established in Article 13A of
22 Chapter 113 of the General Statutes an amount equal to the reimbursement and the cost
23 of administration. If sufficient funds are not available in the Clean Water Management
24 Trust Fund, the Secretary must draw the remainder from income tax collections received
25 under Part 1 of Article 4 of this Chapter."

26 Section 3. G.S. 113-145.3 reads as rewritten:

27 "**§ 113-145.3. Clean Water Management Trust Fund: established.**

28 (a) Fund Established. – There is established a Clean Water Management Trust
29 Fund in the State Treasurer's Office that shall be used to finance projects to clean up or
30 prevent surface water pollution in accordance with this Article.

31 (b) Fund Earnings, Assets, and Balances. – The State Treasurer shall hold the
32 Fund separate and apart from all other moneys, funds, and accounts. Investment earnings
33 credited to the assets of the Fund shall become part of the Fund. Any balance remaining
34 in the Fund at the end of any fiscal year shall be carried forward in the Fund for the next
35 succeeding fiscal year. ~~Payments~~ The Secretary of Revenue may draw funds from the
36 Fund as provided in G.S. 105-275.3. All other payments from the Fund shall be made on
37 the warrant of the Chair of the Board of Trustees.

38 (c) Fund Purposes. – Moneys from the Fund may be used for any of the following
39 purposes:

- 40 (1) To acquire land for riparian buffers for the purposes of providing
41 environmental protection for surface waters and urban drinking
42 water supplies and establishing a network of riparian greenways for
43 environmental, educational, and recreational uses.

- 1 (2) To acquire conservation easements or other interests in real
2 property for the purpose of protecting and conserving surface
3 waters and urban drinking water supplies.
- 4 (3) To coordinate with other public programs involved with lands
5 adjoining water bodies to gain the most public benefit while
6 protecting and improving water quality.
- 7 (4) To restore previously degraded lands to reestablish their ability to
8 protect water quality.
- 9 (5) To repair failing waste treatment systems if: (i) an application has
10 first been submitted to receive a loan or grant from the Clean Water
11 Revolving Loan and Grant Fund and the application was denied
12 during the latest review cycle; (ii) the repair is a reasonable remedy
13 for resolving an existing waste treatment problem; and (iii) the
14 repair is not for the purpose of expanding the system to
15 accommodate future anticipated growth of a community. Priority
16 shall be given to economically distressed units of local
17 government.
- 18 (6) To repair and eliminate failing septic tank systems, to eliminate
19 illegal drainage connections, and to expand waste treatment
20 systems if the system is being expanded as a remedy to eliminate
21 failing septic tank systems or illegal drainage connections. Priority
22 shall be given to economically distressed units of local
23 government.
- 24 (7) To improve stormwater controls and management practices.
- 25 (8) To facilitate planning that targets reductions in surface water
26 pollution.
- 27 (9) To fund operating expenses of the Board of Trustees and its staff.
- 28 (10) To encourage the establishment of restricted riparian buffers by
29 reimbursing local governments under G.S. 105-275.3 for their loss
30 of tax revenue due to exclusion of these buffers from the property
31 tax base under G.S. 105-275.

32 (d) Limit on Operating and Administrative Expenses. – No more than two percent
33 (2%) of the annual balance of the Fund on July 1 or a total sum of eight hundred fifty
34 thousand dollars (\$850,000), whichever is less, may be used each fiscal year for
35 administrative and operating expenses of the Board of Trustees and its staff."

36 Section 4. G.S. 105-282.1(a)(3) reads as rewritten:

- 37 "(3) After an owner of property entitled to exemption under G.S. 105-
38 278.3, 105-278.4, 105-278.5, 105-278.6, 105-278.7, or 105-278.8
39 or exclusion under G.S. 105-275(3), (7), (8), (12), (12a), (17)
40 through (19), (21) or (39), G.S. 105-277.1, or G.S. 105-278 has
41 applied for exemption or exclusion and the exemption or exclusion
42 has been approved, the owner is not required to file an application

- 1 in subsequent years ~~except in the following circumstances: unless~~
2 either of the following occurs:
- 3 a. New or additional property is acquired or improvements are
4 added or removed, necessitating a change in the valuation of the
5 ~~property; or property.~~
 - 6 b. There is a change in the use of the property or the qualifications
7 or eligibility of the taxpayer necessitating a review of the
8 exemption or exclusion."
- 9 Section 5. This act is effective for taxes imposed for taxable years beginning
10 on or after July 1, 2000.