

The Present Use Valuation Program was enacted by the North Carolina General Assembly effective January 1, 1974. The program allows a reduced assessed value meeting specified requirements.

All properties receiving Present Use Valuation must maintain eligibility on an ongoing basis & are subject to periodic audit per NCGS 105-296(j).

Owners of property in the program are encouraged to maintain records that support continued eligibility.

Eligibility requirements must be met for ownership, acreage, income and sound management.

The Present Use Value statutes are available at:

[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_105/GS\\_105-277.3.pdf](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-277.3.pdf)

To view the Present Use Value Guide:  
[https://files.nc.gov/ncdor/documents/files/2019\\_puv\\_program\\_guide.pdf](https://files.nc.gov/ncdor/documents/files/2019_puv_program_guide.pdf)

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This information is provided as a general guideline and does not address all possible situations. For specific answers and detailed information please contact our office.

# Present Use Valuation Deferment Program

Chatham County  
Tax Administration



### Application

*NCGS 105-277.4.(a) & (a1)*

Application is required for a property to be considered for Present Use Value.

- \* Property is currently not in Present Use - an initial application must be filed during the regular listing period, January 1 – January 31, of each year.
- \* Property is currently in Present Use and meets the requirements for continued qualification - the new owner must file a new application within 60 days of the date of transfer.
- \* Within 30 days of a Notice of Change in Value.

Late applications cannot be approved by the tax office. Appeals for untimely applications must be made to the Board of Equalization and Review showing good cause for a failure to file a timely application.

### Present Use Classifications

*NCGS 105-277.3*

Agricultural Land

- \* Minimum of ten (10) acres in production of crops or livestock for commercial sale or five acres in production of aquatic species or have at least 20,000 lbs. of aquatic product for commercial sale AND average gross income of \$1000 from the sale of products produced from the land from the preceding three years.

Horticultural Land

- \* Minimum of five (5) acres in production of fruits, vegetables, nursery or floral products for commercial sale. AND average gross income of \$1000 from the sale of products produced from the land from the preceding three years.

Forestland

- \* Minimum of twenty (20) acres in production of forest products for commercial sale AND the land must have a written forest management plan.

### Ownership

*NCGS 105-277.2 & 3*

Property must:

- \* Be owner's place of residence (or)
- \* Be owned by the owner or a close relative for the four (4) years preceding January 1st (or)
- \* At the time of transfer, qualified in the hands of a business entity or trust that transferred the land to the current owner who was a member of the business entity or a beneficiary of the trust as appropriate.
- \* Multiple tracts must be under the same ownership.

Exception: The land may qualify in the hands of the new owner even if the new owner does not meet the above requirements if both of these conditions are met:

- \* The land was appraised at its present use value at *the time title to the land passed to the new owner.*
- \* *The new owner will continue to use the land for the purpose it was classified for appraisal at its present-use value under previous ownership.*

*NOTE: There are additional ownership requirements for business entities and trusts.*

### Compliance Reviews

*NCGS 105-296.(j)*

The assessor is required to periodically review all properties receiving the benefit of present use classification to verify that these properties continue to qualify for the benefit. Owners of property in Present Use Value are encouraged to maintain records that would support continued eligibility. REQUIREMENTS MUST BE MET ON AN ONGOING BASIS TO REMAIN IN THE PROGRAM.

### Changes to Property in Present Use

*NCGS 105-277.5*

The owner has the responsibility to notify the assessor of any change that could disqualify all or a part of a tract of land receiving Present Use Value. Notice must be given before the close of the listing period following the change in use.

### Deferred Taxes

*NCGS 105-277.4(c)*

If at any time, a tract or part of a tract becomes ineligible for Present Use assessment under the requirements of G.S. 105-277, the deferred taxes including interest on that tract become due immediately for the current year and the past three (3) years.

### Discovered Property and Present Use Value

*NCGS 105-312*

The Tax Assessor must see that all property not properly listed is listed, assessed and taxed according to NCGS 105-312. Discovery is applied to property receiving Present Use Valuation that does not meet requirements as outlined in NCGS 105-277.