

# PRESENT USE VALUATION

Union County Assessor's Office  
Post Office Box 97  
Monroe, NC 28111-0097

## "What happens if I sell the property?"

The property is taken out of the use value program and deferred taxes are billed. The deferred tax will become due unless the property was transferred to a relative and the relative applies for use value within sixty days of the date of transfer and is accepted into the program.

## "What happens in a periodic review?"

The Union County Assessor's Office will periodically review your application for use value assessment and update our records. Agricultural and horticultural applications may require income verification as a part of our quality assurance program. Any modifications in the forestry management plan should be documented and copies forwarded to the County Assessor's Office. A field visit may be necessary after the review of the completed forms. The removal of a tract from the use value program may be appeal to the Board of Equalization and Review at the next session.



New applications are accepted only during the regular listing period each year.



"IS IT FOR ME?"

UNION COUNTY  
ASSESSOR'S OFFICE  
PO BOX 97  
MONROE, NC 28111  
704-283-3746

The land use program is a state mandated program designed to give relief to specific landowners and their property that is being sound managed in the production of agricultural, horticultural, or forestry commodity. To qualify there are ownership, acreage, income and sound management requirements that have to be met. There are also penalties for removal from the program. This brochure was designed to help you better understand the purpose of the program and whether you may be interested in making application.

The North Carolina General Assembly enacted registration on 1973 enabling county tax departments to consider the "use value" of specific properties rather than the "market value" in determining a tax assessment. The intent of the law was to give relief to farm and forest tracts held by families and protect these tracts from being sold because of higher taxes brought by appreciating land values and higher market assessments. Changes have been made to the law since 1973, but the intent has not changed.

Application into the program must be made by the owner(s) during the listing period (normally the month of January) and must specify the program classification or application must be made within 30 days of receipt of the change of assessment. The classification is based in the use of the property. An agricultural classification pertains to crops such as corn, soybeans, and wheat. It also pertains to land being used to produce livestock such as cattle, poultry or hay that is sold to feed cattle. A horticulture application typically applies to orchards or Christmas trees. A forestry application applies to property growing timber. There is a separate application for forest classification due to differences in sound management verification.

### **There are four requirements that must be met in order to qualify for the program.**

**Ownership:** You must have owned the property for four full years, prior to the application being filed in January. If you received it from a relative\* you may qualify immediately if the land was in the program or would have qualified for the program. If you live on the property, and meet the other qualifications you may qualify immediately. If you have property in the program, you can add acquired tract(s) during the next listing period. If property transfers to another non relative and the new owner continues to meet the Use Value Requirements, the property may continue to qualify if an approved new application is filed in the Tax Office and an affidavit signed assuming full liability for the previous use value deferral within 60 days from the deed being recorded.

**Land:** There must be at least one tract that meets the qualifying requirements of five acres for horticulture applications, ten acres for agricultural applications, or twenty acres for forestry. This amount is the minimum of land in actual use for the respective classes.

**Income:** Property must produce a minimum of \$1,000 of gross income for the previous three years. This requirement is not applicable to forest applications. This income requirement only applies to the qualifying tract.

\*A relative can be spouse, yours or a spouse's lineal ancestors or descendants, brother or sister and their lineal descendants, aunt or uncle. It also includes stepbrothers and sisters, adoptive parents or adopted children, and a surviving spouse.

**Sound Management:** The property must be producing its maximum income potential. In order to determine whether this has occurred, the Union County Assessor may request income verification on agricultural and horticultural applications. Income information for three years prior to the application is required. For forestry applications, a copy of an approved forestry management plan is mandatory. The plan must include a map of the property, with stand delineation, owner's boundaries, access roads, and any major physical features such as ridgelines, creeks, rivers, swamps, and rocky bluffs. A detailed description of the different stands as references on the map should include name of the species, age of stand, last harvest date, herbicide and insecticide programs, current growth rate, projected harvest date and method of harvest and reforestation.

To become a participant in the program, you will need to complete an application. If you should have any questions or need any assistance please contact our office at (704) 283-3746.

A question concerning the denial of an application may be appealed to the Board of Equalization and Review. The Union County Assessor's Office is dedicated to fair treatment to all and will do everything possible to insure that qualified applications are included in the program. An equally stringent effort will be made to exclude those applications that do not meet the criteria.

### **FAQ'S**

**"How much can I save if my property is assessed for Use Value?"**

Typically, land assessed for use value will be 25-40% of the market value. The savings can be significant.

**"Is there any reason why I would not want to be included in the program if I qualify?"**

Yes. When property enters the program the County Assessor begins keeping record of taxes owed at both the use and market assessments. The taxpayer receives a bill based on the lower use value assessment. The difference between taxes at use value and market value is called deferred tax. As long as the property qualifies for the program, the deferred tax will never become due and payable. Whenever it is removed from the program, the deferred tax for the current year and the previous three years will become due with interest. This is simple interest, the same that is charged on delinquent taxes\*.

\*There is 2% interest added for the first January that taxes would have been due if the property had not been in the use value program. Three fourths of one percent is added each month until the taxes have been paid.

**"Once accepted into the use value program, is there anything that I am obligated to do?"**

In essence, when you sign the application you are signing a contract with the county. This contract states that you intend to use your property as stated in the application and you understand the consequences of the deferred taxes. In the case of forest applications you agree to manage the forest tract as outlined in your management plan. If, for whatever reason you change the use, you are required to notify the assessor's office. Failure to notify the office of this change will result in penalties. It must be understood that your application will be periodically reviewed and that additional information may be needed to remain in the program. If your property continues to qualify for this program the county will continue to bill you at the lowered assessment. Proper notification will be given in the event that this property is removed from the program.