



The land use program is a statewide program designed to give relief to specific landowners and their property that is used for the commercial production of an agricultural, horticultural or forestry product. To qualify there is 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 legislation in 1973 enabling county tax departments to consider the "value in use" 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 to protect these tracts from being sold because of higher taxes brought on by appreciating land values. 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. The classification is based on the use of the property. An agricultural classification pertains to crops such as corn, soybeans or wheat. It also pertains to land being used to produce livestock such as cattle, poultry or hay that is sold or fed to cattle or land used for aquaculture. A horticultural classification typically applies to orchards or commercially grown Christmas trees. A forest classification applies to property use for commercially growing of timber. There are four requirements that must be met in order to qualify for the program.

**Ownership:** If you do not live on the land, you must have owned the property for four full years as of January 1, prior to the application being filed. 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. You may also qualify immediately, if you received the property from a relative. A relative can be a 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. **If the property transfers to a non-relative and the new owner of the property continues to meet the Use Value Requirements, the property may continue to remain in the program if an application is filed within 60 days of the transfer. The new owner must sign an affidavit or provide documentation assuming full liability for the deferred taxes within that same 60-day period.**

**Land:** There must be at least one tract in actual production that meets the qualifying requirements of five acres for horticultural applications, ten acres for agricultural applications and twenty acres for forestry. This amount of acreage is the minimum amount of land in actual use for the respective classes. As a general rule only 20 acres of woodland may be included in an agricultural application. Woodland in excess of 20 acres must be under an approved forest management plan.

**Income:** The qualifying tract must produce an average of \$1,000 of gross income for the past three years. Income is not a requirement for forest applications.

**Sound Management: All of the land in present use must be managed in a manner that attempts to maximize the income that the land is capable.** Sound Management may be demonstrated in one of six ways.

1. Enrollment and compliance with an agency-administered management plan
2. Compliance with best management practices
3. Compliance with a gross income per acre test
4. Net Income
5. Operator's principle source of income
6. Certified by an agricultural or horticultural agency that the unit is operated under sound management.

For forest applications, a copy of an approved forestry management plan is required. 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 referenced 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 and provide the required information to the Tax Office. If you should have any questions or need any assistance, please contact our office at (704) 878-3123. A decision concerning the denial of an application may be appealed to the Board of Equalization and Review. The Iredell County Tax Department is dedicated to fair treatment to all and will do everything possible to insure that qualified applications are included in the program.

## FAQ'S

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

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

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

Yes. When property enters the program, the County Assessor begins keeping records 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 the deferred tax. As long as the property qualifies for the program, the deferred tax will never become due and payable. **If the property becomes ineligible, and is removed from the program, the deferred tax for the current year and the previous three years will also become due with interest.**

**"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 this use, you are required to notify the Iredell County Tax Department. 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

demonstrate continued sound management of the property. If your property continues to qualify for this program the county will continue to bill you at the lowered assessed value. Proper notification will be given in the event that this property is removed from the program.

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

The property is taken out of the use value program and the deferred taxes and interest are billed for a maximum of four years. The deferred tax will become due unless the property was transferred to a relative and the relative applies for use value at the next listing period and is accepted into the program, or the buyer plans to continue in farm use, accepts the liability for the deferred taxes and applies for Use Value within sixty days of the date of purchase.

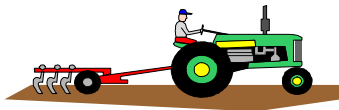
**"What happens in a periodic review?"**

The Iredell County Tax Department 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 modification in the forestry management plan should be documented and copies forwarded to the Iredell County Tax Department. 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 appealed to the Board of Equalization and Review at the next session.

If you have any questions concerning the Use Value Assessment of land in Iredell County, please contact Preston Redmond at the Iredell County Tax Department at (704) 878-3123

New applications are accepted during the Tax Listing period each year.

(Rev. 11-08)



Iredell County Assessor's Office  
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# PRESENT USE VALUE ASSESSMENT IS IT FOR ME?



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