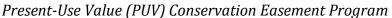


N.C. Department of Agriculture & Consumer Services

N.C. ADFP Trust Fund





The Present-Use Value (PUV) Conservation Easement Program expands the acceptable methods for determining conservation easement value to include county tax property values reviewed and adjusted by the N.C. Department of Revenue.

- This program is exclusively for use on ADFP Trust Fund (ADFPTF) conservation easements.
- This program is not applicable when other conservation easement purchase partners are associated with the project.

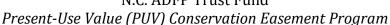
Requirements for the use of PUV county property tax value to determine estimated conservation easement value:

- Land Criteria and Eligibility:
 - Land must be privately owned with ownership in agreement to participate in the program.
 - Land must be in PUV land use classification as defined in N.C.G.S. 105-277.
 - Only whole land parcels, as defined by the county tax office, are eligible, e.g., the conservation easement boundary will follow the tax parcel boundary.
 - o No carveouts or exclusion areas are allowed.
 - More than one tax parcel may be included in one easement, but each parcel must be contiguous and in the same ownership.
 - No subdivision allowed.
 - Property improvement values, such as homes, structures, and equipment, are
 not eligible for ADFPTF conservation easement payments. If a house or structure
 is included in the property tax evaluation for PUV, it must be included in the
 conservation easement. The building value does not contribute to the calculation
 used to determine the conservation easement value payout. All improvements
 must be defined in the conservation easement survey.
 - All other program requirements and processes to complete an ADFPTF conservation easement apply. These are detailed in the grant award contract.
 - Minimum acreage requirements must follow the present-use value guidelines: Five acres for horticulture, 10 acres for agriculture (row crops or pasture), 20 acres for forestry, or a combination of working lands use.
 - If there are existing easements that have removed the development rights from the property, the property will be ineligible for the PUV Conservation Easement Program.
- If the property tax evaluation for PUV is selected, an appraised value from other sources may **not** be used to modify the conservation easement value.
- The conservation easement value will be adjusted to the last report by the NC Department of Revenue Sales Assessment Ratio Study for the county in which the proposed conservation easement is located.
 - NCDOR: Sales Assessment Ratio Studies as of January 1, 2022: https://www.ncdor.gov/2022salesratiobookpdf-2/open



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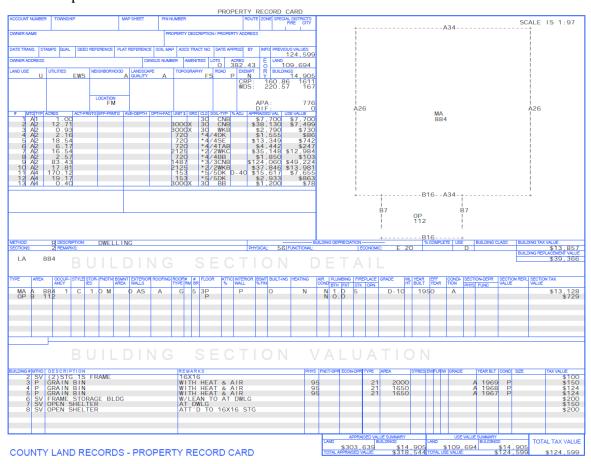
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- The county tax property values using PUV are for use only with ADFPTF 50-year term and perpetual easements.
- Payment for conservation easement value will be restricted to the following payout percentages:
 - o 50-year easement 60% of the conservation easement value
 - Perpetual easement 75% of the conservation easement value

• Example:



• Total Acres: 382.43

Appraised Value of Land: \$303,639

To calculate the Adjusted Appraised Value of Land, select the median sales ratio value from the latest NCDOR Sales Assessment Ratio Study for the county in which the proposed conservation easement is located, then divide the median sales ratio value into the Appraised Value of Land:

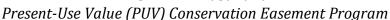
• Example median sales ratio value: 87.72%

Adjusted Appraised Value of Land: \$346,145.69



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To calculate the Total Conservation Easement Value, subtract the Present-Use Value (also known as Use Value or Deferred Value) of Land from the Adjusted Appraised Value of Land:

- Present-Use Value (also known as Use Value or Deferred Value) of Land: \$109,694
- Total Conservation Easement Value: \$236,451.69

Final Conservation Easement Value Payout:

- 50-year easement 60% of the Total Conservation Easement Value: \$141,871.01
- Perpetual easement 75% of the Total Conservation Easement Value: \$177,338.77

Refer to the PUV Conservation Easement Program Worksheet to calculate the potential payout.