



**N.C. Department of Agriculture & Consumer Services**  
N.C. ADFP Trust Fund  
*Present-Use Value (PUV) Conservation Easement Program*



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 NC Department of Revenue.

The valuation process for the PUV Conservation Easement Program differs from that of the standard appraisal program. The PUV Conservation Easement Program uses data from the parcel(s) tax card to calculate the easement purchase price. This valuation method does not place value on existing or future property improvements and cannot determine values with areas excluded from the proposed conservation easement or areas where development rights have been restricted. This valuation method uses the expertise of the county tax assessor based on the entire parcel under the assessment and cannot be modified.

Therefore, this valuation process has additional program restrictions:

1. No exclusions within a tax parcel are permitted. 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. The following conditions on the property will make it ineligible for the PUV Conservation Easement Program:
  - a. Voluntary exclusions of homesites or other areas.
  - b. Existing easements with parcel restrictions, such as mitigation easements, utility easements, covenants, DOT easements, watershed easements, etc.
  - c. Other areas that are incompatible with the easement terms including historic sites, archaeological sites, cemeteries, etc.
2. Property improvement values, such as homes, structures, and equipment, are not eligible for ADFPTF conservation easement payments.
  - a. If a house or structure is included in the property tax evaluation for PUV, it must be included in the conservation easement.
  - b. The building value does not contribute to the calculation used to determine the conservation easement value payout.
3. More than 85% of the conservation easement must be in full conservation easement protection, and the remaining acreage is defined as farmstead and/or residential use. Total farmstead building envelopes are restricted to 15% of total easement acreage.
  - a. If NO residential structures are present on the proposed easement area, one future residential farmstead building envelope is permitted.
  - b. If residential sites are present on the proposed easement area, NO additional future residential farmstead building envelopes are permitted.



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### General Program Eligibility

- This program is exclusively for use on ADFP Trust Fund (ADFPTF) conservation easements.
  - Applications with additional conservation easement purchase partners are ineligible.
- If existing easements have removed the development rights or restricted rights from the property, the property will be ineligible for the PUV Conservation Easement Program.
  - Energy easements, covenants, etc., are generally identified during title review. Applicants are strongly encouraged to review all easements and covenants on the deed with landowners before application.
    - Applicants are encouraged to contact NCDA&CS Farmland Preservation staff for assistance before starting an application.
- All other program eligibility and contract requirements apply. These requirements are detailed in the grant award contract.

### Landowner and Parcel 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.
- More than one tax parcel may be included in one easement, but each parcel must be contiguous and be of the same ownership.
- Minimum land size is the same as defined in the NC Department of Revenue Present-Use Valuation Program Guide.
  - NCDOR: Present-Use Valuation Program Guide: <https://www.ncdor.gov/documents/present-use-valuation-program-guide>
    - General Acreage Requirements: Five acres for horticulture, 10 acres for agriculture (row crops or pasture), 20 acres for forestry, or a combination of working lands use.

### Additional Survey Requirements

- The survey plat for the conservation easement is required to achieve a minimum of the following when the county property tax listing on the land parcel tract defines a farmstead or residential or both land uses:
  - If residential structures are listed on the property tax card, the recording survey must identify the acreage assigned as residential use.
  - If farmstead structures are listed on the property tax card, the recording survey must identify the acreage assigned as residential use.
  - Farmstead and residential acreage designation must be separately defined in the conservation easement survey.



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Easement Value Determination

- If the property tax evaluation for PUV is selected, an appraised value from other sources may **not** 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, 2023:  
<https://www.ncdor.gov/2023salesratiobookpdf/open>
- 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:
  - 50-year easement – 60% of the conservation easement value
  - Perpetual easement – 75% of the conservation easement value

Example

PROPERTY RECORD CARD																																																			
ACCOUNT NUMBER		TOWNSHIP		MAP SHEET		PIN NUMBER		ROUTE		ZONE		SPECIAL DISTRICTS		FIRE		CITY																																			
OWNER NAME												PROPERTY DESCRIPTION / PROPERTY ADDRESS																																							
DATE TRANS.		STAMPS		QUAL.		DEED REFERENCE		PLAT REFERENCE		SOIL MAP		ASDC TRACT NO.		DATE APPRD.		BY		INFO		PREVIOUS VALUES																															
OWNER ADDRESS		CENSUS NUMBER		AMENITIES		LOTS		ACRES		E LAND		O LAND		R BUILDINGS		T		T		124,599																															
LAND USE		UTILITIES		EWS		NEIGHBORHOOD		LANDSCAPE QUALITY		TOPOGRAPHY		ROAD		EXEMPT		N		T		14,905																															
LOCATION		FM																		CRP: 160.86 1611 WDS: 220.57 167 APA: 776 DIF: 0																															
#		MTG TYP		ACRES		ACT-FRNTG		EFF-FRNTG		AVE-DEPTH		DPTH-HEAD		UNIT S		GRD		DLS		SOIL-TYP		%LAB		APPRAISED VAL.		USE VALUE																									
1		A1		1.00										3000X		3C		CNB						\$7,700		\$7,700																									
2		A2		12.71										3000X		3C		CNB						\$38,130		\$7,499																									
3		A2		0.93										3000X		3C		WKB						\$2,790		\$730																									
4		A2		2.16										720		*4		4DK						\$1,555		\$86																									
5		A2		18.54										720		*4		4SE						\$13,349		\$742																									
6		A2		6.17										720		*4		4TAB						\$4,442		\$247																									
7		A2		16.54										2125		*4		2WKC						\$35,148		\$12,984																									
8		A2		2.57										3725		*4		4BB						\$1,950		\$103																									
9		A2		83.43										1487		*3		3CNB						\$124,080		\$49,224																									
10		A2		17.81										2125		*2		2WKB						\$37,845		\$13,981																									
11		A4		170.12										153		*5		5DK D-40						\$15,617		\$7,655																									
12		A4		19.17										153		*5		5DK						\$2,933		\$863																									
13		A4		0.40										3000X		3C		BB						\$1,200		\$78																									
METHOD:		D		DESCRIPTION:		DWELLING								PHYSICAL:		56		FUNCTIONAL:						BUILDING DEPRECIATION:		ECONOMIC:		E		20		% COMPLETE:		USE:		D		BUILDING CLASS:				BUILDING TAX VALUE:		\$13,857							
SECTIONS:		2		REMARKS:																																		BUILDING REPLACEMENT VALUE:		\$39,365											
LA		BB4		BUILDING SECTION DETAIL																																															
TYPE		AREA		OCCUPANCY		STYLE		STORE USE		FOUND		BSMTN AREA		EXTERIOR WALLS		ROOFING		ROOF TYPE		# FLOOR		ATTIC INTERIOR WALL		BSMTN WALL		BUILDINGS		HEATING		AIR COND		PLUMBING		FIREPLACE		GRADE		INL YEAR		EFF YEAR		COND-TION		SECTION-DEPR		SECTION REPR		SECTION TAX VALUE			
MA		A		BB4		1		C		1		D		M		O		AS		A		G		5		3		P		P		N		N		1		D		5		D-10		1950		A				\$13,128	
OP		B		112																																								\$729							
BUILDING SECTION VALUATION																																																			
BUILDING #		MTHD		DESCRIPTION		REMARKS		PHYS		FNCT-OPR		ECON-OPR		TYPE		AREA		STRES		SP-FW		UW		GRADE		YEAR BLT		COND		SIZE		TAX VALUE																			
2		SV		(2)STG 1S FRAME		16X16																				A		1969		P		\$100																			
3		P		GRAIN BIN		WITH HEAT & AIR		9E								21		2000								A		1968		P		\$150																			
4		P		GRAIN BIN		WITH HEAT & AIR		9E								21		1650								A		1968		P		\$124																			
5		P		GRAIN BIN		WITH HEAT & AIR		9E								21		1650								A		1967		P		\$124																			
6		SV		FRAME STORAGE BLDG		W/LEAN TO AT DWLG																												\$200																	
7		SV		OPEN SHELTER		ATT DWLG																												\$150																	
8		SV		OPEN SHELTER		ATT'D TO 16X16 STG																												\$200																	
APPRaised VALUE SUMMARY																																																			
LAND		\$303,639		BUILDINGS		\$14,905		\$109,694		\$14,905		\$109,694		\$14,905		\$109,694		\$14,905		\$109,694		\$14,905		\$109,694		\$14,905		\$109,694		\$14,905		\$109,694		\$14,905		\$109,694		\$14,905		\$109,694											
TOTAL APPRAISED VALUE		\$318,544		TOTAL USE VALUE		\$124,599																																		\$124,599											

COUNTY LAND RECORDS - PROPERTY RECORD CARD

- Total Acres: 382.43
- Appraised Value of Land: \$303,639



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- 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
- 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.*

***Please note:*** Applicant organizations and landowners can agree to accept less than the maximum payout as calculated by the PUV Conservation Easement Program Worksheet.