



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		ACCD TRACT NO.		DATE APPRD	BY	INFO	PREVIOUS VALUES
																	124,599
OWNER ADDRESS		CENSUS NUMBER		AMENITIES		LOTS		ACRES		E LAND		R LAND		BUILDINGS			109,694
LAND USE		UTILITIES		EWS		NEIGHBORHOOD		LANDSCAPE QUALITY		TOPOGRAPHY		ROAD		EXEMPT		N	14,905
																CRP:	160.86 1611
																WDS:	220.57 167
																APA:	776
																DIF:	0
#	MT	TYPI	ACRES	ACT-FRNTG	EFF-FRNTG	AVE-DEPTH	DPTH-HEAD	UNIT S	GRD	CLS	SOIL-TYP	%LAB	APPRASD VAL	USE VALUE			
1	A1		1.00							3C	CNB		\$7,700	\$7,700			
2	A2		12.717							3C	CNB		\$39,130	\$7,499			
3	A2		0.93							3C	WKB		\$2,790	\$730			
4	A2		2.16							720	*44DK		\$1,555	\$86			
5	A2		18.54							720	*44SE		\$13,349	\$742			
6	A2		6.17							720	*44TAB		\$4,442	\$247			
7	A2		16.54							2125	*22WKC		\$35,148	\$12,984			
8	A2		2.57							720	*44BB		\$1,950	\$103			
9	A2		83.43							1487	*33CNB		\$124,060	\$49,224			
10	A2		17.91							2125	*22WKB		\$37,845	\$13,981			
11	A4		170.12							153	*5DK	D-40	\$15,617	\$7,655			
12	A4		19.17							153	*5DK		\$2,933	\$863			
13	A4		0.40							8000X	3C	BB	\$1,200	\$78			
METHOD: 2 DESCRIPTION: DWELLING BUILDING DEPRECIATION: ECONOMIC E 20 % COMPLETE: USE: D BUILDING CLASS: BUILDING TAX VALUE: \$13,857																	
SECTIONS: 2 REMARKS: PHYSICAL: 5(5) FUNCTIONAL: ECONOMIC: E 20 % COMPLETE: USE: D BUILDING CLASS: BUILDING REPLACEMENT VALUE: \$39,365																	
LA BB4 BUILDING SECTION DETAIL																	
TYPE: MA AREA: B84 OCCUP: 1 STYLE: C STORE: 1 FOUND: D BSMN: A EXTERIOR: O AS ROOFING: A ROOF: G # FLOOR: 5 AFFIC: P INTERIOR: P BSMN: O BULTINS: O HEATING: N AIR: N PLUMBING: N FIREPLACE: S GRADE: D-10 IN: 1950 EFF: 1950 COND: A SECTION-DEPR: SECTION REPR: SECTION TAX VALUE: \$13,128 \$729																	
BUILDING SECTION VALUATION																	
BUILDING#(MTH) DESCRIPTION: 2 SV (2)STG 1S FRAME REMARKS: 16X16 PRYS: PUNCT-OPR ECON-OPR TYPE: AREA: STRES:ENFW:UW GRADE: YEAR:BLT COND: SIZE: TAX VALUE: \$100																	
3 P GRAIN BIN WITH HEAT & AIR 9E 21 2000 A 1969 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 AT DWLG \$150																	
8 SV OPEN SHELTER ATT'D TO 16X16 STG \$200																	
APPRASD VALUE SUMMARY: LAND: \$303,639 BUILDINGS: \$14,905 TOTAL APPRAISED VALUE: \$318,544 USE VALUE SUMMARY: LAND: \$109,694 BUILDINGS: \$14,905 TOTAL USE VALUE: \$124,599 TOTAL TAX VALUE: \$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.