HOUSE BILL 168
Committee Substitute Favorable 3/21/11
Senate Finance Committee Substitute Adopted 6/14/11

Short Title: Farms Exempt From City Annexation & ETJ.   (Public)

Sponsors:

Referred to:

February 24, 2011

1	A BILL TO BE ENTITLED
2	AN ACT TO CLARIFY THE DEFINITION OF "BONA FIDE FARM PURPOSES," TO
3	PROHIBIT THE INVOLUNTARY MUNICIPAL ANNEXATION OF PROPERTY USED
4	FOR BONA FIDE FARM PURPOSES, TO PROVIDE THAT PROPERTY USED FOR
5	BONA FIDE FARM PURPOSES IS EXEMPT FROM THE EXERCISE OF MUNICIPAL
6	EXTRATERRITORIAL JURISDICTION, AND TO EXEMPT PROPERTY USED FOR
7	BONA FIDE FARM PURPOSES FROM MUNICIPAL ZONING.
8	The General Assembly of North Carolina enacts:
9	**SECTION 1.** G.S. 153A-340(b)(2) reads as rewritten:
10	"(b) (2) Except as provided in G.S. 106-743.4 for farms that are subject to a
11	conservation agreement under G.S. 106-743.2, bona fide farm purposes
12	include the production and activities relating or incidental to the production
13	of crops, fruits, vegetables, ornamental and flowering plants, dairy,
14	livestock, poultry, and all other forms of ~~agricultural products~~ agriculture as
15	defined in ~~G.S. 106-581.1 having a domestic or foreign market.~~
16	G.S. 106-581.1. For purposes of this subdivision, the production of a
17	nonfarm product that the Department of Agriculture and Consumer Services
18	recognizes as a 'Goodness Grows in North Carolina' product that is produced
19	on a farm subject to a conservation agreement under G.S. 106-743.2 is a
20	bona fide farm purpose. For purposes of determining whether a property is
21	being used for bona fide farm purposes, any of the following shall constitute
22	sufficient evidence that the property is being used for bona fide farm
23	purposes:
24	a. A farm sales tax exemption certificate issued by the Department of
25	Revenue.
26	b. A copy of the property tax listing showing that the property is
27	eligible for participation in the present use value program pursuant to
28	G.S. 105-277.3.
29	c. A copy of the farm owner's or operator's Schedule F from the owner's
30	or operator's most recent federal income tax return.
31	d. A forest management plan.
32	e. A Farm Identification Number issued by the United States
33	Department of Agriculture Farm Service Agency."
34	**SECTION 2.** G.S. 160A-36 is amended by adding a new subsection to read:

1   "(f)   As used in this subsection, "bona fide farm purposes" is as described in
2   G.S. 153A-340. As used in this subsection, "property" means a single tract of property or an
3   identifiable portion of a single tract. Property that is being used for bona fide farm purposes on
4   the date of the resolution of intent to consider annexation may not be annexed without the
5   written consent of the owner or owners of the property."
6   **SECTION 3.** G.S. 160A-48 is amended by adding a new subsection to read:
7   "(g)   As used in this subsection, "bona fide farm purposes" is as described in
8   G.S. 153A-340. As used in this subsection, "property" means a single tract of property or an
9   identifiable portion of a single tract. Property that is being used for bona fide farm purposes on
10   the date of the resolution of intent to consider annexation may not be annexed without the
11   written consent of the owner or owners of the property."
12   **SECTION 3.1.**   If House Bill 845, 2011 General Assembly, is enacted,
13   G.S. 160A-58.54, as enacted by that act, is amended by adding a new subsection to read:
14   "(c)   As used in this subsection, "bona fide farm purposes" is as described in
15   G.S. 153A-340. As used in this subsection, "property" means a single tract of property or an
16   identifiable portion of a single tract. Property that is being used for bona fide farm purposes on
17   the date of the resolution of intent to consider annexation may not be annexed without the
18   written consent of the owner or owners of the property."
19   **SECTION 4.** G.S. 160A-360 is amended by adding a new subsection to read:
20   "(k)   As used in this subsection, "bona fide farm purposes" is as described in
21   G.S. 153A-340. As used in this subsection, "property" means a single tract of property or an
22   identifiable portion of a single tract. Property that is located in the geographic area of a
23   municipality's extraterritorial jurisdiction and that is used for bona fide farm purposes is exempt
24   from exercise of the municipality's extraterritorial jurisdiction under this Article. Property that
25   is located in the geographic area of a municipality's extraterritorial jurisdiction and that ceases
26   to be used for bona fide farm purposes shall become subject to exercise of the municipality's
27   extraterritorial jurisdiction under this Article."
28   **SECTION 5.** Article 19 of Chapter 160A of the General Statutes is amended by
29   adding a new section to read:
30   "**§ 160A-393.1. Part not applicable to property used for bona fide farm purposes.**
31   The provisions of this Part are not applicable to property used for "bona fide farm
32   purposes," as defined in G.S. 153A-340."
33   **SECTION 6.** This act is effective when it becomes law. Sections 2, 3, and 3.1 of
34   this act apply to annexations of property used for bona fide farm purposes that were initiated by
35   municipalities on or after that date or are pending on that date.