

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

**HOUSE BILL 168
RATIFIED BILL**

AN ACT TO CLARIFY THE DEFINITION OF "BONA FIDE FARM PURPOSES," TO PROHIBIT THE INVOLUNTARY MUNICIPAL ANNEXATION OF PROPERTY USED FOR BONA FIDE FARM PURPOSES, AND TO PROVIDE THAT PROPERTY USED FOR BONA FIDE FARM PURPOSES IS EXEMPT FROM THE EXERCISE OF MUNICIPAL EXTRATERRITORIAL JURISDICTION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-340(b)(2) reads as rewritten:

- "(b) (2) Except as provided in G.S. 106-743.4 for farms that are subject to a conservation agreement under G.S. 106-743.2, bona fide farm purposes include the production and activities relating or incidental to the production of crops, fruits, vegetables, ornamental and flowering plants, dairy, livestock, poultry, and all other forms of ~~agricultural products~~ agriculture as defined in ~~G.S. 106-581.1~~ G.S. 106-581.1 ~~having a domestic or foreign market.~~ For purposes of this subdivision, the production of a nonfarm product that the Department of Agriculture and Consumer Services recognizes as a 'Goodness Grows in North Carolina' product that is produced on a farm subject to a conservation agreement under G.S. 106-743.2 is a bona fide farm purpose. For purposes of determining whether a property is being used for bona fide farm purposes, any of the following shall constitute sufficient evidence that the property is being used for bona fide farm purposes:
- a. A farm sales tax exemption certificate issued by the Department of Revenue.
 - b. A copy of the property tax listing showing that the property is eligible for participation in the present use value program pursuant to G.S. 105-277.3.
 - c. A copy of the farm owner's or operator's Schedule F from the owner's or operator's most recent federal income tax return.
 - d. A forest management plan.
 - e. A Farm Identification Number issued by the United States Department of Agriculture Farm Service Agency."

SECTION 2. G.S. 160A-36 is amended by adding a new subsection to read:

"(f) As used in this subsection, "bona fide farm purposes" is as described in G.S. 153A-340. As used in this subsection, "property" means a single tract of property or an identifiable portion of a single tract. Property that is being used for bona fide farm purposes on the date of the resolution of intent to consider annexation may not be annexed without the written consent of the owner or owners of the property."

SECTION 3. G.S. 160A-48 is amended by adding a new subsection to read:

"(g) As used in this subsection, "bona fide farm purposes" is as described in G.S. 153A-340. As used in this subsection, "property" means a single tract of property or an identifiable portion of a single tract. Property that is being used for bona fide farm purposes on the date of the resolution of intent to consider annexation may not be annexed without the written consent of the owner or owners of the property."

SECTION 3.1. If House Bill 845, 2011 General Assembly, is enacted, G.S. 160A-58.54, as enacted by that act, is amended by adding a new subsection to read:

"(c) As used in this subsection, "bona fide farm purposes" is as described in G.S. 153A-340. As used in this subsection, "property" means a single tract of property or an



identifiable portion of a single tract. Property that is being used for bona fide farm purposes on the date of the resolution of intent to consider annexation may not be annexed without the written consent of the owner or owners of the property."

SECTION 4. G.S. 160A-360 is amended by adding a new subsection to read:

"(k) As used in this subsection, "bona fide farm purposes" is as described in G.S. 153A-340. As used in this subsection, "property" means a single tract of property or an identifiable portion of a single tract. Property that is located in the geographic area of a municipality's extraterritorial jurisdiction and that is used for bona fide farm purposes is exempt from exercise of the municipality's extraterritorial jurisdiction under this Article. Property that is located in the geographic area of a municipality's extraterritorial jurisdiction and that ceases to be used for bona fide farm purposes shall become subject to exercise of the municipality's extraterritorial jurisdiction under this Article."

SECTION 5. This act is effective when it becomes law. Sections 2, 3, and 3.1 of this act apply to annexations of property used for bona fide farm purposes that were initiated by municipalities on or after that date or are pending on that date.

In the General Assembly read three times and ratified this the 17th day of June, 2011.

Walter H. Dalton
President of the Senate

Thom Tillis
Speaker of the House of Representatives

Beverly E. Perdue
Governor

Approved _____m. this _____ day of _____, 2011