

**Item Title:** Approve Amended Deferred Tax Resolution and Appropriate and Transfer Rollback Tax Revenues

**Specific Action Requested:**  
**That the Board of Commissioners:**

- 1. Approves the amended resolution of Commitment of Deferred Agricultural, Horticultural, and Forestlands Tax Payment Fund Balance for Agricultural Conservation Easements; and**
- 2. Appropriates and transfers \$3,643,220.10 from General Fund fund balance to the Parks, Recreation, Greenways, and Open Space element of the County Capital Fund.**

**Item Summary:**

**Purpose:** The Board of Commissioners approves the establishment of a specific fund balance commitment for future purposes and projects. By State statute, only the Board of Commissioners appropriates funding for county projects.

**Background:** In November 2022, the Board of Commissioners approved a new policy authorizing the commitment of Deferred Agricultural, Horticultural, and Forestlands Tax Payment actual revenue for Agricultural Conservation Easements. This policy enables the County to conserve some of Wake County's most productive farmland, as well as protect wildlife habitat and water quality.

Since then, three properties have been funded with the deferred taxes. Acquisition of the 117-acre Oaky Grove property was authorized by the Board at the August 21, 2023, regular meeting. Acquisition of the 129-acre Bailey Farm property was authorized by the Board at the November 20, 2023, regular meeting. Acquisition of the 36-acre Williamson Triangle Farm was authorized by the Board at the July 8<sup>th</sup>, 2024, regular meeting. The Bailey Farm closed December 2023, Oaky Grove closed on February 28, 2024, and the Williamson Triangle Farm is expected to close in early 2025. In addition, there are several upcoming projects that staff expect to close in 2025. These conservation easements will protect some of the County's most productive farmland, wildlife habitat, and water quality, safeguarding critical resources for future generations.

Staff recommends appropriating additional roll-back tax revenue generated in Fiscal Year 2024.

Strategic Plan: This action supports Growth, Land Use and Environment Goal 3: Protect 1,000 acres of green space, including open space, parks, greenways, farmland, and forests by 2029.

Fiscal Impact: This item appropriates \$3,643,220.10 of General Fund Fund Balance originating from roll-back tax revenue and transfers the same amount into the Parks, Recreation, Greenways, and Open Space element of the County Capital Fund. The amended resolution more clearly states that prior year rollback taxes will fall to committed fund balance in the General Fund. This specification of committed fund balance helps to ensure that the rollback tax dollars are used for agricultural conservation easement purposes.

**Additional Information:**

North Carolina's present-use value property tax exclusion program provides tax incentives to taxpayers who use their land for agricultural, horticulture, or timber production. Properties that meet the requirements are valued for tax purposes at their "present-use values" rather than the higher "true market value" they would carry if they were it sold for development. The local property taxes on the difference between a property's present-use value and its market value are deferred. Property can remain in the present-use value program indefinitely. If the owner stops using the property for a qualifying purpose or sells it to a developer, then the most recent three years of deferred taxes are subject to "rollback," meaning they are immediately due and payable.

**Attachments:**

1. CIP Budget Memo – FY 2025 County Capital Fund – Parks, Recreation, Greenways, and Open Space
2. Budget Memo – FY 2025 General Government
3. Original Deferred Tax Resolution Adopted on November 21, 2022
4. Amended Deferred Tax Resolution to be Adopted December 2, 2024
5. Proposed OPEB Funding Policy + Rollback Taxes Work Session Presentation from November 14, 2022