

**Item Title:** Uncommit Rollback Tax Revenues in the General Fund and Appropriate and Transfer into the County Capital Fund for Agricultural Conservation Easements

**Specific Action Requested:**

That the Board of Commissioners:

1. **Uncommits \$2,439,214.90 of committed General Fund fund balance from the actual revenue received from the Deferred Agricultural, Horticultural and Forestlands Tax; and**
2. **Appropriates and transfers \$2,439,214.90 of actual revenue received from the Deferred Agricultural, Horticultural, and Forestlands Tax from General Fund fund balance to the Parks, Recreation, Greenways and Open Space element of the County Capital Fund.**

**Item Summary:**

**Purpose:** By State statute, only the Board of Commissioners appropriates funding for all 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, seven conservation easements have been funded with the deferred taxes. Presently, there are roughly six projects that staff expect to close in 2026. 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 2025. This appropriation positions staff to execute transactions and preserve for agricultural land.

**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 uncommits, appropriates and transfers \$2,439,214.90 of General Fund fund balance originating from roll-back tax revenue into the Parks, Recreation, Greenways and Open Space element of

the County Capital Fund. This will increase the total amount available for future agricultural conservation easements from \$7,164,861.51 to \$9,604,076.41.

**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 forestry 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 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.

The seven previously approved easements include:

- 117-acre Oaky Grove property (BOC approval August 2023)
- 129-acre Bailey Farm (BOC approval November 2023)
- 36-acre Williamson Triangle Farm (BOC approval July 2024)
- 40-acre Walton Farm (BOC approval February 2025)
- 28-acre Freeman Garcia Farm (BOC approval May 2025)
- 32-acre Johnson Farm (BOC approval June 2025)
- 28-acre Switzer properties (BOC approval November 2025).

**Attachments:**

1. CIP Budget Memo – FY 2026 County Capital Fund – Parks, Recreation, Greenways and Open Space
2. Budget Memo – FY 2026 General Government
3. Amended Deferred Tax Resolution Adopted December 2, 2024
4. Proposed OPEB Funding Policy + Rollback Taxes Work Session Presentation from November 14, 2022