

## **GUIDANCE FOR THE IMPLEMENTATION OF TRANSPORTATION CORRIDOR OFFICIAL MAPS BY COUNTY OR CITY TAX ADMINISTRATORS**

In 1987, the General Assembly provided a number of right-of-way protection measures designed to clarify and enhance the ability of the North Carolina Department of Transportation (NCDOT) and the local governments to protect rights-of-way for future highway projects. One of these measures is the authority to adopt and establish Transportation Corridor Official Maps, more commonly referred to as "Official Maps". (It should be noted that, in highway planning terminology, the word corridor generally refers to a broad area of study in which a number of specific highway alignments may be considered. Since an Official Map more accurately reflects what is considered an alignment as opposed to a corridor, the term alignment will be used throughout the remainder of this text.)

The statute allows for Official Maps to be adopted by either the Department of Transportation or the municipal government. If a municipality seeks to adopt an Official map for a project outside of its jurisdiction, it must first receive the concurrence of the county government. Even though the authority granted to the NCDOT is not restricted to those areas outside of the municipal jurisdictions, generally, the Department will limit its involvement to non-municipal projects.

The primary purpose of an Official Map is to reserve and protect the alignment for a future highway project. The reservation is accomplished by placing temporary restrictions on private property until the NCDOT or the municipality can acquire the needed right-of-way. The restrictions are in the form of a prohibition on the issuance of building permits or the approval of subdivisions on property lying within the Official Map alignment. These restrictions apply for a period of three years, which begins when the building permit or subdivision is requested.

Once an Official Map is adopted by either the Board of Transportation or the local city council, a certified copy of the map must be provided to the register of deeds office for the county through whose jurisdiction the project extends. The Official Map will consist of a map or a series of map pages identifying the proposed right-of-way and its relationship to the various properties along the project alignment. The maps will measure 12 inches by 20 inches as required by the statute.

The statute provides some specific instructions for county or city tax officials. According to the statute, copies of any adopted maps, subsequent amendments, and granted variances will be furnished to the tax supervisor or administrator for each jurisdiction affected by an Official Map. Once these items are received, the statute instructs that "the portions of properties embraced within a transportation corridor and any variance granted shall be clearly indicated on all tax maps maintained by the county or city for such period as the designation remains in effect." (G.S. 136-44.50 (b) (2)) This suggests that the information should be transferred from the Official Map to the tax maps and clearly labeled as an Official Map alignment. Most Official Maps will be provided at a scale of 1"=400' or greater so this should be easily accomplished. Since there are tax implications associated with this designation, the accuracy of this information is important.

The tax implications are in the form of special tax benefits for certain properties affected by an Official Map. The statute (G.S. 105-277.9) allows for property falling within an adopted Official Map alignment and meeting certain other conditions to be designated as a special class of property and taxed at 20% of the general tax rate for that type of property. The conditions are that the property must be vacant (free of any buildings or structures) as of January 1 of that year, and that the property not have been subdivided since it was included in the Official Map alignment.

While these statutory instructions are certainly open to interpretation, reason and fairness suggest that the property owner be given the benefit of the doubt. The restrictions

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placed on a property by an Official Map designation are temporary, but somewhat severe: a total prohibition of building or subdivision activity for that portion of the property located within the proposed alignment. The only form of compensation provided for in the statute for this temporary restriction is the tax relief described above. With this in mind, a liberal interpretation of the tax benefit seems in order.

Following this logic, the tax benefit should be equitable and immediate, in that it should apply uniformly to all qualifying properties from the first tax period following the adoption of the Official map. Although the three year time period for the restrictions will be different for the different properties (because the period begins when a building permit or subdivision is applied for) the tax benefits should, nevertheless, apply from the start to all properties meeting the conditions.

It also seems appropriate that the vacant portions of larger tracts of property that lie within an Official Map alignment should receive the tax benefits as well. The NCDOT believes the tax benefit should be applied as broadly as possible; however, it will be up to each county tax office to make its own interpretation of the statute. Nevertheless, since separate determinations of value will be required for the land within the corridor and that outside the corridor, it would seem logical that as long as the property within the corridor is unimproved (with no buildings or other structures), the tax reduction should apply. In this situation larger parcels or tracts with buildings or structures located on property but outside the adopted corridor would be partially eligible for the tax break.

In addition, all taxing units are subject to this special rate. This means counties, cities, and any special districts with the power to levy property taxes would be affected by any transportation corridor crossing taxable real property located within their respective boundaries.