

1.1 moves to amend H.F. No. 12 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2010, section 273.114, subdivision 2, is amended to
1.4 read:

1.5 Subd. 2. **Requirements.** Class 2a or 2b property that had been ~~assessed~~ properly
1.6 classified under Minnesota Statutes 2006, section 273.111, or that is part of an agricultural
1.7 homestead under Minnesota Statutes, section 273.13, subdivision 23, paragraph (a), is
1.8 entitled to valuation and tax deferment under this section if:

1.9 (1) the land consists of at least ten acres;

1.10 ~~(2) a conservation assessment plan for the land must be prepared by an approved~~
1.11 ~~plan writer and implemented during the period in which the land is subject to valuation~~
1.12 ~~and deferment under this section;~~

1.13 ~~(3) the land must be enrolled for a minimum of eight years;~~

1.14 ~~(4)~~ (2) there are no delinquent property taxes on the land; and

1.15 ~~(5)~~ (3) the property is not also enrolled for valuation and deferment under section
1.16 273.111 or 273.112, or chapter 290C or 473H.

1.17 **EFFECTIVE DATE.** This section is effective for taxes payable in 2012 and
1.18 thereafter.

1.19 Sec. 2. Minnesota Statutes 2010, section 273.114, subdivision 5, is amended to read:

1.20 Subd. 5. **Application ~~and covenant agreement.~~** ~~(a)~~ Application for deferment of
1.21 taxes and assessment under this section shall be filed by May 1 of the year prior to the
1.22 year in which the taxes are payable. Any application filed under this subdivision and
1.23 granted shall continue in effect for subsequent years until the ~~termination of the covenant~~
1.24 ~~agreement under paragraph (b)~~ property is transferred or sold, or otherwise removed from
1.25 the program by the owner. The application must be filed with the assessor of the taxing

2.1 district in which the real property is located on the form prescribed by the commissioner
2.2 of revenue. ~~The assessor may require proof by affidavit or otherwise that the property~~
2.3 ~~qualifies under subdivision 2.~~

2.4 ~~(b) The owner of the property must sign a covenant agreement that is filed with the~~
2.5 ~~county recorder and recorded in the county where the property is located. The covenant~~
2.6 ~~agreement must include all of the following:~~

2.7 ~~(1) legal description of the area to which the covenant applies;~~

2.8 ~~(2) name and address of the owner;~~

2.9 ~~(3) a statement that the land described in the covenant must be kept as rural preserve~~
2.10 ~~land, which meets the requirements of subdivision 2, for the duration of the covenant;~~

2.11 ~~(4) a statement that the landowner may terminate the covenant agreement by~~
2.12 ~~notifying the county assessor in writing three years in advance of the date of proposed~~
2.13 ~~termination, provided that the notice of intent to terminate may not be given at any time~~
2.14 ~~before the land has been subject to the covenant for a period of five years;~~

2.15 ~~(5) a statement that the covenant is binding on the owner or the owner's successor or~~
2.16 ~~assigns and runs with the land; and~~

2.17 ~~(6) a witnessed signature of the owner, agreeing by covenant, to maintain the land as~~
2.18 ~~described in subdivision 2.~~

2.19 ~~(c) After a covenant under this section has been terminated, the land that had been~~
2.20 ~~subject to the covenant is ineligible for subsequent valuation under this section for a~~
2.21 ~~period of three years after the termination.~~

2.22 **EFFECTIVE DATE.** This section is effective for taxes payable in 2012 and
2.23 thereafter.

2.24 Sec. 3. Minnesota Statutes 2010, section 273.114, subdivision 6, is amended to read:

2.25 Subd. 6. **Additional taxes.** Upon ~~termination of a covenant agreement in~~
2.26 ~~subdivision 5, paragraph (b) voluntary withdrawal from the program or termination due to~~
2.27 ~~sale or transfer of the property~~, the land ~~to which the covenant applied~~ shall be subject to
2.28 additional taxes in the amount equal to the difference between the taxes determined in
2.29 accordance with subdivision 3 and the amount determined under subdivision 4, provided
2.30 that the amount determined under subdivision 4 shall not be greater than it would have
2.31 been had the actual bona fide sale price of the real property at an arm's-length transaction
2.32 been used in lieu of the market value determined under subdivision 4. The additional taxes
2.33 shall be extended against the property on the tax list for the current year, provided that
2.34 no interest or penalties shall be levied on the additional taxes if timely paid and that the

3.1 additional taxes shall only be levied with respect to the current year plus two prior years
3.2 that the property has been valued and assessed under this section.

3.3 **EFFECTIVE DATE.** This section is effective for taxes payable in 2012 and
3.4 thereafter.

3.5 Sec. 4. **LAND REMOVED FROM PROGRAM.**

3.6 (a) Any land that had been properly enrolled in the Minnesota Agricultural Property
3.7 Tax Law under Minnesota Statutes 2006, section 273.111, and that was removed from the
3.8 program between May 21, 2008, and the effective date of this section, must be reinstated to
3.9 the program at the request of the owner provided that the land is classified as class 2a or 2b.

3.10 (b) If additional taxes have been paid by a property owner prior to the effective
3.11 date of this section with respect to property described in paragraph (a), as a result of the
3.12 property being removed from the program authorized under Minnesota Statutes 2006,
3.13 section 273.111, the county must repay the property owner in the manner prescribed
3.14 by the commissioner of revenue.

3.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.16 Sec. 5. **STUDY REQUIRED.**

3.17 The commissioner of revenue, in consultation with the Department of Applied
3.18 Economics at the University of Minnesota and with representatives of major farm groups
3.19 within the state of Minnesota, must develop an alternative methodology for determining
3.20 the taxable value of tillable and nontillable land enrolled in the Green Acres program
3.21 under section 273.111 and the rural preserves program under section 273.114. The
3.22 commissioner must make a report to the legislature by February 15, 2012, describing the
3.23 alternative methodology and plans for its implementation

3.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.25 Sec. 6. **REPEALER.**

3.26 Minnesota Statutes 2010, section 273.114, subdivision 1, is repealed.

3.27 **EFFECTIVE DATE.** This section is effective the day following final enactment."

3.28 Amend the title accordingly