

# House Research Act Summary

**CHAPTER:** 13

**SESSION:** 2011 Regular Session

**TOPIC:** Property taxation; Green Acres and Rural Preserves

**Date:** April 25, 2011

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## Overview

Chapter 13 modifies the Rural Preserves program by eliminating the requirements for a conservation plan and a covenant agreement. It also requires land enrolled in Rural Preserves to be contiguous to class 2a land under the same ownership that is enrolled in Green Acres. Chapter 13 allows land removed from Green Acres after the 2008 changes to be reinstated to the Green Acres program or the Rural Preserves program at the owner's request, and requires the commissioner of revenue to consider alternative methodologies for valuing property in both programs.

### Section

- 1 **Purpose.** Provides that the purpose of the Green Acres program is "...to encourage and preserve farms by mitigating the property tax impact of increasing land values due to nonagricultural economic forces."
- 2 **Requirements.** Modifies requirements for the Rural Preserves program by eliminating the requirements for (i) a conservation assessment plan, (ii) a covenant requirement restricting the use of the property, and (iii) a minimum size of ten acres. Stipulates that in order for land to be enrolled in Rural Preserves it must be:
  - classified as class 2b (rural vacant land);
  - contiguous to class 2a land under the same ownership that is enrolled in Green Acres; and
  - either (i) *properly* classified as Green Acres land in 2008, or (ii) currently

classified as agricultural homestead.

- 3 **Application.** Eliminates the description of the covenant agreement and all references to it. Requires applications for enrollment in Rural Preserves to be accompanied by an aerial photograph or satellite image of the property, and requires application forms to set forth the consequences to the property owner of termination of qualification. Extends the deadline for applying for enrollment in Rural Preserves from May 1 to August 1 for 2011 only.
- 4 **Additional taxes.** Eliminates all references to the covenant agreement from the additional taxes section of the Rural Preserves program.
- 5 **Land removed from program.** Provides that any land that was properly enrolled in the Green Acres program as of May 21, 2008, and was then removed from the program must be reinstated to the Green Acres program, in the case of class 2a property, or enrolled in the rural preserves program, in the case of class 2b property, at the request of the owner. Further provides that if any back-taxes have been paid with respect to properties being reinstated to the program, the county must refund the additional taxes to the property owner.
- 6 **Covenants terminated.** Provides that any covenants entered into for the purpose of enrolling in the rural preserves program are terminated.
- 7 **Study required.** Requires the commissioner of revenue to explore alternative methods for valuing tillable and nontillable acreage enrolled in the Green Acres program or the Rural Preserves program, in consultation with the Department of Applied Economics at the University of Minnesota, the Minnesota Association of Assessing officers, and major farm groups. Requires the commissioner to make a report to the legislature describing the methodology to be used for the 2012 assessment prior to February 15, 2012.
- 8 **Repealer.** Repeals statutory section providing definitions for rural preserve conservation assessment plans.