

HOUSE RESEARCH

Bill Summary

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Authors: Doty and others

Subject: Repealing the 2008 changes to the Green Acres program

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Overview

HF 10 repeals the changes made to the Minnesota Agricultural Property Tax Law (often referred to as the “Green Acres” program) in 2008. It retains the separation of rural land into class 2a agricultural and class 2b rural vacant land, but allows both classes to be enrolled in Green Acres.

Section

- 1 Requirements.** Allows property under the new rural vacant land class 2b (created in 2008) to be enrolled in Green Acres – currently enrolled property as well as future enrollments. (Before the 2008 changes, most of this land was included in the agricultural classification and was eligible for Green Acres; however, the 2008 law separated agricultural property into class 2a agricultural and class 2b rural vacant land, with class 2b land generally not included in the program.) Also allows land enrolled in federal- and state-sponsored conservation programs such as RIM and CRP to be enrolled in Green Acres (as had been the case prior to 2008).
- 2 Determination of value.** Eliminates the directive for valuing land “grandfathered-in” to the Green Acres program, since the grandfather clause would no longer be needed under this law.
- 3 Application.** Requires property seeking enrollment in Green Acres to meet an income requirement that had been repealed in 2008.
- 4 Additional taxes.** Requires property continuing in Green Acres to meet an income requirement that had been repealed in 2008.
- 5 Special assessments.** Technical section relating to the reinstatement of the income requirement.
- 6 Continuation of tax treatment upon sale.** Provides that property being reenrolled in

Green Acres after a sale must meet an income requirement that had been repealed in 2008.

- 7 **Repealer.** Reinstates the income requirement for property to be enrolled in Green Acres that had been repealed in 2008.
- 8 **Land removed from program.** Provides that any land that was withdrawn from the Green Acres program since the end of the 2008 session may be reenrolled in the program at the request of the owner, provided that the property meets the requirements for enrollment.
- 9 **Repealer.** Repeals the provision “grandfathering-in” property enrolled in Green Acres prior to 2008, but that no longer met the eligibility requirements under the 2008 law changes. (Implicitly eliminates the seven-year payback for rural vacant land grandfathered-in under the 2008 changes, so that the payback for all enrolled lands is three years, as it was prior to 2008.)