

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 217 **DATE:** January 27, 2009  
**Version:** Delete everything amendment H0217DE1  
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**Subject:** Modifying the Green Acres program  
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### Overview

The delete-everything amendment H0217DE1 makes a number of modifications to the Minnesota Agricultural Property Tax Law (better known as the “Green Acres” program) and to the classification of agricultural land generally. It allows any land enrolled in Green Acres prior to 2008 to remain in the program indefinitely regardless of ownership, as long as it continues to be in agricultural use under the old (pre-2008) definition. It allows any land that is part of an agricultural homestead to be eligible for participation for future enrollments, as long as the portion of the homestead classified as rural vacant land is less than half of the total acreage. It allows property owners to withdraw a portion of their grandfathered rural vacant land from Green Acres without withdrawing all of it. It eliminates the seven-year payback for rural vacant land grandfathered in to Green Acres. It also allows more land to be included in the 2a classification by allowing some new uses of land to be considered agricultural.

#### Section

- 1** **Requirements.** Provides that any land that is part of an agricultural homestead may be enrolled in the Green Acres program, except that if the homestead includes class 2b rural vacant land, the 2b acreage must be less than half of the total acreage. Also makes nonhomestead agricultural property ineligible for program participation for future enrollments. Requires that a farm must be capable of producing agricultural products worth at least \$1,000 per year in order to maintain eligibility. Also provides that land enrolled in RIM or CRP or a similar government-sponsored conservation program may be enrolled in Green Acres only if the conservation acres constitute less than half of the total farm acreage.
- 2** **Property that no longer qualifies as agricultural under 2008 law changes.** Allows property classified as rural vacant land to remain in Green Acres indefinitely, including

allowing it to be reenrolled after a sale or transfer, provided that it continues to be used for agricultural purposes as defined by the old (pre-2008) definition. Allows a portion of grandfathered-in rural vacant land to be withdrawn without withdrawing all rural vacant land. 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.

- 3** **Class 2.** Clarifies a provision in the 2008 law regarding land not directly involved in agricultural production by stating that it may be included in class 2a if it would be impractical for the property to be sold separately, and therefore impractical to be valued separately. Also broadens the definition of agricultural products by including commercial boarding of horses and trees sold for timber, lumber, wood or wood products, allowing that property to be eligible for agricultural classification.