

# HOUSE RESEARCH

## Bill Summary

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**Version:** As introduced

**Authors:** Dettmer and others

**Subject:** Modifying the Green Acres program

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### Overview

**H.F. 341 makes a number of modifications to the Minnesota Agricultural Property Tax Law (better known as the “Green Acres” program), undoing some of the changes made in 2008. It once again allows land in government-sponsored conservation programs to be eligible and allows property owners to withdraw a portion of their rural vacant land from the program without withdrawing all of it. It allows rural vacant land that is currently enrolled to continue to qualify if transferred to a family member, or to be withdrawn from the program prior to January 2, 2010, without any payback, provided that five years of back taxes are due if withdrawn property is sold within three years. It also reduces the back-tax payment for grandfathered rural vacant land from seven years to five.**

#### Section

- 1 Requirements.** 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 Property that no longer qualifies as agricultural under 2008 law changes.** This section makes a number of changes to the Green Acres program affecting property that was enrolled in Green Acres prior to the 2008 changes, but that would no longer be eligible to enroll based on the 2008 changes (this is primarily land in the new “rural vacant land” classification):
  - Allows a property owner to withdraw some rural vacant land from the Green Acres program without withdrawing all rural vacant land (on the same parcel) from the program.
  - Allows property classified as rural vacant land to remain in Green Acres indefinitely if transferred to a qualified owner, defined as a parent, brother, sister,

daughter, or son of the current owner, whether by blood or marriage.

- Allows property classified as rural vacant land to be withdrawn from Green Acres with no back taxes due prior to January 2, 2010, except that if withdrawn property is sold or transferred within three years from the date of withdrawal, five years of back taxes are due (under the 2008 law, the deadline was January 2, 2009, and three years of back taxes were due on all rural vacant land withdrawn, regardless of whether or not it was sold or transferred.). Also requires a lien to be filed with the county recorder so that if sold or transferred within those three years, the buyer would be aware of the pending tax obligation.
- Allows property classified as rural vacant land to be withdrawn from Green Acres with no back taxes due within a year of transfer to a qualified owner, except that if withdrawn property is then sold or transferred within three years from the date of withdrawal, five years of back taxes are due. Also requires a lien to be filed with the county recorder so that if sold or transferred within those three years, the buyer would be aware of the pending tax obligation.
- Reduces the back-tax payment for grandfathered rural vacant land that is removed from Green Acres after January 2, 2010, from seven years to five years.

Effective retroactively to property transfers and program withdrawals occurring after May 1, 2008. (May 1 reflects the application date for enrolling in the program.)