

## Revised Comparison of Green Acres Reform Bills

(changes from current law are shown; blanks indicate no change from current law)

House File and Author	Treatment of Rural Vacant Land “Grandfathered-in” to Green Acres					Future GA eligibility				New program for conservation land? (see page 3)
	Allow partial withdrawals after early withdrawal deadline?	Allow to retain eligibility upon transfer?	Deadline to withdraw at reduced back-tax rate	Back-tax payment for withdrawals before deadline	Back-tax payment for withdrawals after deadline	Allow CRP and RIM lands to qualify?	Broaden definition of class 2a? (see page 2)	Allow some RVL to qualify for GA? (see page 2)	Additional limitations on GA eligibility	
<i>Current Law</i>	<i>No</i>	<i>No</i>	<i>2009</i>	<i>3 years</i>	<i>7 years</i>	<i>No</i>		<i>No</i>		
99 (Atkins)										Yes
216 (Faust)	Yes	To relative <sup>1</sup>	2010	None		Yes				
217-1E (Faust)	Yes	To anyone			3 years	Yes	Yes	Yes	Yes <sup>2</sup>	
341 (Dettmer)	Yes	To relative <sup>1</sup>	2010	None <sup>3</sup>	5 years <sup>4</sup>	Yes				
340 (Hosch)	Yes	To anyone			3 years					
338 (Kalin)	Yes	To relative <sup>1</sup>	2010	None	3 years					Yes
350 (Demmer) <sup>5</sup>	Yes	To relative <sup>1</sup>	2010	None	3 years	Yes	Yes			
540 (Koenen)	Yes	To relative <sup>1</sup>	2010	None	3 years		Yes			
634 (Jackson)	Yes		2010	None		Yes		Yes		Yes
635 (Hosch)			2010							
1663 <sup>6</sup> (Jackson)	Yes <sup>7</sup>	To relative <sup>1</sup>	2010	None	3 years	Yes	Yes			Yes
Repeal bills (10, 78, 153, 184 and 387)	Yes	To anyone			3 years	Yes		Yes		

<sup>1</sup> The definition of relative used in each of the bills is not the same. Some use sons or daughters only, some include grandparents and granddaughters and grandsons, and some include siblings.

<sup>2</sup> Requires that property be classified agricultural homestead in order to qualify; also requires that land produce \$1,000 per year in agricultural sales to qualify.

<sup>3</sup> Five-year backtax payment required if sold within three years of program withdrawal.

<sup>4</sup> Any time property is transferred to relative of owner, it may be withdrawn with no back-tax payment; however, it becomes subject to 5-year back tax payment if subsequently sold within 3 years.

<sup>5</sup> H.F. 350 also requires DOR to study and develop uniform methodology for determining taxable value for grandfathered rural vacant land.

<sup>6</sup> This bill is identical to the amendment to H.F. 392 adopted on the Senate floor, awaiting final passage. Also requires annual report from DOR on classification and valuation of class 2a and 2b property.

<sup>7</sup> Requires all rural vacant land to be withdrawn from GA by 1/2/2013, unless transferred to relative or enrolled in conservation program.

### **Broaden definition of class 2a:**

- H.F. 217 (Faust)<sup>8</sup> Class 2a ~~property may contain~~ include property ~~that would otherwise be classified as 2b~~ is not directly involved in agricultural production, including but not limited to sloughs, wooded wind shelters, acreage abutting ditches, and other similar land that is interspersed with productive agricultural land such that it would be impractical for the property to be sold separately, and therefore impractical for the assessor to value separately from the rest of the property.
- H.F. 350 (Demmer) Agricultural land also includes any contiguous land required to be maintained in a nonproductive state under applicable setback or similar requirements.
- H.F. 540 (Koenen) Class 2a property ~~may contain~~ must include property that would otherwise be classified as 2b, including but not limited to sloughs, wooded wind shelters, acreage abutting ditches, ravines, rock piles, and other similar land that is impractical for the assessor to value separately from the rest of the property or that is unlikely to be able to be sold separately from the rest of the property.
- H.F. 1663 (Jackson) Class 2a property ~~may contain~~ must also include any property that would otherwise be classified as 2b, including but not limited to sloughs, wooded wind shelters, acreage abutting ditches, ravines, rock piles, and other similar land that is impractical for the assessor to value separately from the rest of the property or that is unlikely to be able to be sold separately from the rest of the property.

### **Allow some RVL to qualify for Green Acres:**

- H.F. 217 (Faust) Allows RVL that is part of an agricultural homestead to be enrolled in Green Acres, limited to a number of acres equal to the class 2a (productive) acres.
- H.F. 634 (Jackson) Allows RVL consisting of “prairie, wetland, wasteland or woodland” that is contiguous to real estate devoted to agricultural purposes, as long as the majority of the real estate is primarily devoted to agricultural purposes.
- Repeal bills Allows any RVL to be included so long as the property meets the “old” income requirement (33-1/3 percent of family income or \$300 plus \$10 per tillable acre from agricultural production).

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<sup>8</sup> In addition to the language generally broadening the definition of class 2a, H.F. 217 specifically allows the raising of horses and timbering operations to qualify as agricultural production, and therefore for Green Acres enrollment.

**Conservation programs:**

	Type(s) of land allowed	Restrictions on use	Tax benefit
H.F. 99 (Atkins) Minnesota Land Conservation Property Tax Law	Real estate for conservation of natural lands; cultivated agricultural land; and land enrolled in state or federal conservation program	Covenant to preserve land as conservation land. Covenant can be terminated with 7-year advance notice.	Assessor to value land “solely with reference to its current use.” <sup>9</sup> Special assessments deferred while in program. Three years back-taxes, plus deferred special assessments, due upon termination of covenant.
H.F. 338 (Kalin) Preservation and Legacy Land	Counties designate “preservation and legacy” areas, which must give consideration to the creation and preservation of water buffers, wildlife corridors, scenic assets, cultural assets, and such other characteristics as the county deems important; owners of land within the areas must apply to the county to participate in the program. CRP and RIM lands are automatically eligible. <sup>10</sup>	Covenant to preserve land under conditions prescribed by county. Covenant can be terminated with 8-year advance notice.	Property assessed at full market value, with class rate of 0.25%.
H.F. 634 (Jackson) (also includes Preservation and Legacy Land program identical to H.F. 338)	Land not being farmed that abuts public waters, and that is contiguous to agricultural land under the same ownership, provided the land is located in a township and not enrolled in Green Acres.		Land is to be valued by assessor on same basis as rural vacant land “of the same quality” that does not abut public waters. Seven years of back-taxes are due when owner takes first steps toward development, such as applying for a development permit or platting or subdividing.
H.F. 1663 (Jackson) Land Conservation Property Tax	Land under a site-specific conservation management plan for healthy, productive and sustainable conservation resources.	Land must be enrolled for a minimum of 8 years. Covenant can be terminated with 4-year advance notice. Conservation management plan must be implemented and conservation management guidelines must be adhered to.	Enrolled land is to be valued the same as class 2a tillable land in the county. Special assessments deferred while under covenant. Three years of back-taxes plus all deferred special assessments are due when covenant is terminated.

<sup>9</sup> Instructs DOR to develop a uniform method of determining values consistent with this section of law.

<sup>10</sup> Each county must elect whether they wish to participate in the program or not.