“GREENBELT”

Tennessee’s Agricultural, Forest, and Open Space Land Act of 1974

Presentation to: The Tennessee Farmland Legacy Conference
Montgomery Bell State Park - October 9, 2008
Greenbelt Program

• tax law enacted by the state legislature in 1974

• designed to:
  - encourage continued production of valuable food and fiber;
  - prevent loss of family farms due to higher taxes based on speculation values rather than use values;
  - provide relief from urban sprawl and green spaces for enjoyment of people who would not normally have access to such areas
Greenbelt Program

Three (3) types of land eligible for enrollment:

- Agricultural Land
- Forest Land
- Open Space Land
Greenbelt Program

Agricultural Land

- tract of at least fifteen (15) acres constituting a farm unit engaged in the production or growing of crops, plants, animals, nursery, or floral products.
- a ten (10) acre noncontiguous tract can qualify if the same owner has already qualified a fifteen (15) acre tract and both tracts constitute a farm unit.
- if tract became less than 15 acres because of eminent domain or other involuntary reason, it can remain in Greenbelt under current ownership
- must actually be engaged in agricultural activity
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Agricultural Land cont.

Property can also qualify, if:

- owner, owner’s spouse, or owner’s parents farmed the property for at least 25 years
  
  and
  
- owner continues to live on the property
  
  and
  
- the property is not currently used for any purpose that is inconsistent with farming
  
- farming income / activity rule does not apply
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Forest Land

- tract of at least 15 acres
- engaged in growing trees under a sound program of sustained yield management
  or
- having tree growth in such quantity and quality as to be managed like a forest
- requires forestry management plan
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Open Space Land

- tract of at least 3 acres
- maintained in an open or natural condition for public use and enjoyment
- must be included within a plan for preservation approved by state or local planning agencies
  or
- owner must execute a perpetual open space easement
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General Limitations

- law limits the amount of land eligible for enrollment to 1500 acres per owner per county

- individuals who own property with others or as part of a corporation are credited with their proportionate share of the acreage towards the 1500 acre cap

- all property enrolled in program is subject to “rollback”, when it no longer qualifies for Greenbelt status
In Greenbelt, the value of land is based on its current use as agricultural, forest, or open space land rather than current market value for similar properties.

Use value is determined by the Comptroller’s Division of Property Assessments using a statutory formula that blends farm income and market data.
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Rollback Assessment

- repayment of the taxes saved while the land was classified as greenbelt

- recapture period is 3 years for Agricultural and Forest Land, and 5 years for Open Space Land

- rollback assessment is payable from the date the Assessor provides the owner with written notice, but is not delinquent until 1 March of the following year.
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Reasons for Rollback Assessment

- property no longer qualifies for Greenbelt
- owner requests in writing that the classification be withdrawn
- the property is being developed by means of a recorded subdivision plat or unrecorded plan of development
- the property has been sold and is being converted to a use other than Greenbelt
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Application Procedures

- fill out application at Assessor of Property’s office
- have it approved and signed by Assessor of Property
- get form notarized
- record the completed application with the Register of Deeds office
- enrollment must take place prior to 1 March, to be effective for the current tax year
- new owners must re-apply to continue in Greenbelt
Greenbelt Program

Further Information

Contact your county’s Assessor of Property

Tennessee Code Annotated (TCA),
Title 67, Chapter 5, Part 10
- contains all requirements and rules
- available online @ www.michie.com/tennessee
Questions