

RUTHERFORD COUNTY



Greenbelt and Rollback Assessments

Greenbelt Program Basics

- Tax law enacted by the state legislature in 1976 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 Basics

- Three (3) types of land eligible for enrollment:
 - Agricultural Land
 - Forest Land
 - Open Space Land

Greenbelt – Agricultural Land

- tract of land at least 15 acres constituting a farm unit engaged in the production or growing of crops, plants, animals, nursery, or floral products.
- a 10 acre noncontiguous tract can qualify if the same owner has already qualified a 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

Greenbelt – Agricultural Land cont' d

- Property can also qualify as Agricultural, 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

Greenbelt – 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

Greenbelt – 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

Greenbelt – 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

Greenbelt – Present Use Value

- 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.
- Value increases are capped and cannot exceed 6% per year over the reappraisal cycle.

Filing an Application

- An application is required to be filed on or before March 1
- If March 1 falls on a Saturday or Sunday, then the application can be filed on the Monday.
- If the application is postmarked by the deadline date, then the application will be deemed timely filed.

Filing an Application cont' d

- Reapplication thereafter is not required so long as the ownership as of the assessment date remains unchanged.
- An application can be filed after March 1 to continue the previous classification, if filed within 30 days of notice of disqualification and accompanied by a late application fee of \$50.00.
 - For first time applicants, March 1 is an absolute deadline.
 - There is no appeal procedure for late filers.

Filing an Application cont' d

- Notice of Disqualification
 - Assessment change notice would appear to be adequate; however, it would not inform someone about the 30 days and a \$50.00 late fee.
 - The notice should provide:
 - The last day to file a late application with \$50.00
 - The amount of rollback taxes that will be due.
 - That immediate action is required.

Rollback Taxes

- Rollback taxes are the amount of taxes saved by the difference in present use value assessment and market value assessment.
T.C.A. § 67-5-1008(d)(1); see also T.C.A. § 67-5-1004(d)(12)
- Agricultural and Forest Land-Preceding 3 years.
- Open Space Land-Preceding 5 years.
 - 10 years + 10% if the open space easement is to a qualified conservation organization (PC 514-2007)

Rollback Taxes

- Rollback taxes are a first lien on the disqualified property in the same manner as other taxes.
T.C.A. § 67-5-1008(d)(3).
- Rollback taxes are also the personal responsibility of the current owner or seller of the land. T.C.A. § 67-5-1008(d)(3).
 - If the sale of the property disqualifies such property from greenbelt, the seller shall be liable for rollback taxes, unless otherwise provided by written contract.

Rollback Taxes

- If buyer declares in writing at the time of sale an intention to continue the greenbelt classification but fails to file any form necessary to continue the classification within ninety (90) days from the sale date, the rollback taxes shall become solely the responsibility of the buyer. T.C.A. § 67-5-1008(f).

Rollback Taxes

- If property is taken by eminent domain or other involuntary taking then the agency or body doing the taking shall be liable for rollback taxes.
 - Property transferred and converted to an exempt or non-qualifying use shall be considered to have been converted involuntarily, if the transferee or an agent for the transferee sought the transfer and had power of eminent domain.

Rollback Taxes

- If the taking results in the property being too small to qualify, no rollback if:
 - Landowner continues to own and use the property
 - At least 50% of lineal descendants collectively own and continue to use the property

When is Rollback Triggered?

- Rollback is triggered under the following circumstances:
 - Such land ceases to qualify as agricultural, forest, or open space land as defined in T.C.A. § 67-5-1004.
 - The owner of such land requests *in writing* that the greenbelt classification be withdrawn.

When is Rollback Triggered?

- The land is covered by a duly recorded subdivision plat or an unrecorded plan of development and any portion is being developed; except that, where a recorded plat or an unrecorded plan of development contains phases or section, only the phases or sections being developed are disqualified.
 - Please note: A lot in a subdivision can qualify for greenbelt if (1) it meets the minimum acreage requirements and (2) there are no restrictions, covenants, ordinances, etc. that prohibits the property from being farmed, maintained as a forest, or kept in its natural state.

When is Rollback Triggered?

- However, a lot in a subdivision cannot be combined with a contiguous parcel of greenbelt land so that the lot can qualify for use value. Also, lots in a subdivision cannot be combined in order to meet the minimum acreage requirements.
- the lot, in and of itself, must qualify on its own.

When is Rollback Triggered?

- The failure of an owner to file an application as required by law.
- The property exceeds the maximum acreage allowed by law.
 - Except rollback is not due if property passes to a lineal descendant just because the maximum acreage is exceeded. However, rollback will be due if other disqualifying circumstances occur before the property has been assessed at market value for three (3) years.

When is Rollback Triggered?

- The land is conveyed or transferred and the conveyance or transfer would render the status of the land exempt.

When is Rollback Triggered?

- No rollback due if property is acquired by
 - Bank
 - Saving and Loan Assoc.,
 - A holder of a deed of trust or mortgage in satisfaction or partial satisfaction of a debt.
T.C.A. § 67-5-1008(e)(3).
 - Rollback due only if land is used for a non-greenbelt purpose. Non-use is acceptable.

When is Rollback Triggered?

- Acquisition of property pursuant to the U.A. Moore Wetlands Acquisition Act shall not constitute a change in the use of the property and no rollback taxes shall become due solely as a result of such acquisition. T.C.A. § 11-14-406.

Notice of Rollback Taxes

- When an assessor believes that property no longer qualifies for greenbelt, the assessor is to send notice of rollback taxes. T.C.A. § 67-5-1008(d)(3).
- The notice should include the following:
 - Amount of Rollback taxes due
 - The basis for the rollback taxes
 - For example, property is too small to qualify or failure to file an application as required by law.

Notice cont' d

- Name of person the assessor believes is personally responsible for the rollback taxes.
- Parcel ID# and any other information to help identify what property is subject to the rollback taxes.
- This amount will become delinquent if not paid by March 1, 20__.
- Liability for rollback taxes, but not property values, may be appealed to the State Board of Equalization by March 1, 20__.

Notice cont' d

- The current owner of the property should also receive notice even if the current owner is not personally liable.
 - Remember: Rollback taxes are a first lien on the disqualified property in the same manner as other property taxes.

Voiding Rollback

- The assessor may void the rollback assessment if it is determined that the assessment was imposed in error.

T.C.A. § 67-5-1008(d)(3).

- HOWEVER, there shall be no refund of rollback taxes that have been collected at the request of a buyer or seller at the time of sale. T.C.A. § 67-5-1008(d)(3).

Questions

- If you have questions over an issue that was not covered or need clarification on a particular topic please contact our office:

- **Property Assessor's Office**
319 N. Maple St.
Suite 200
Murfreesboro, TN 37130
Phone: (615) 898-7750
Fax: (615) 898-7854
assessor@rutherfordcounty.org