



Greenbelt – Forestry

Forestry Management Plan Requirement

A Forest Management Plan with a map is required to fulfill the Greenbelt – Forestry Application

A Forester is **NOT** required to write the plan. An applicant can write their Forest Management Plan if they so desire. The official template used to write one's own Forest Management Plan can be found on the State of Tennessee's Comptroller website. The address is:

<https://comptroller.tn.gov/boards/state-board-of-equalization/sboe-services/greenbelt.html>

If an applicant does not feel comfortable writing their Forest Management Plan then they may hire a Consulting Forester to write a plan for them for a fee. The Tennessee Division of Forestry has the latest directory on its website. The web address is:

<https://www.tn.gov/content/dam/tn/agriculture/documents/forestry/AgForCfdirectory.pdf>

What happens when property no longer qualifies for greenbelt?

When greenbelt property is disqualified for any reason, the owner is liable for a rollback assessment (i.e., rollback taxes) which means a repayment of the taxes saved while the land was classified as greenbelt. The rollback period is 3 years for agricultural and forest land, 5 years for open space land and 10 years for land under an open space easement. The owner may be liable for rollback taxes for any of the following reasons:

- * the property no longer qualifies for greenbelt, including failure of a new owner to apply in the new owner's name.
- * the owner requests in writing that the classification be withdrawn.
- * the property is covered by a recorded subdivision plat or an unrecorded plan of development and any portion is being developed; however, if the plat or plan contains phases or sections, only those phases or sections being developed will be disqualified.
- * the property is sold and the land is being converted to a use other than greenbelt. However, foreclosure on the property will not result in a rollback assessment unless the property is used for purposes other than greenbelt.
- * the property is conveyed or transferred and the conveyance or transfer would render the status of the land exempt.
- * the land exceeds the 1,500 acreage limitation.

A rollback assessment is made when the assessor determines the property no longer qualifies for greenbelt. The taxpayer's property tax bill will include:

- * the regular taxes for the current year (based on use value, since the property qualified at the beginning of the year) and
- * a rollback assessment representing the greenbelt tax savings for the current year and the two preceding years.

If property is disqualified because of a sale, such as a sale for development of a subdivision or a sale that makes a greenbelt parcel too small or

the buyer does not desire to apply for greenbelt, the seller is responsible for both the rollback taxes and the regular taxes for the year of sale. However, the land is subject to the lien for both the regular and rollback taxes. Just as the regular property taxes for the year of a sale are prorated at closing, rollback taxes also may be prorated between the seller and buyer. The assessor can provide an estimate of these taxes.

If the buyer of greenbelt property declares in writing at the time of sale an intention to continue the greenbelt classification but fails to file any necessary documents with the assessor within 90 days of the sale, the buyer becomes liable for any rollback taxes resulting from the sale (i.e., the seller can pass the personal liability of rollback taxes to the buyer). Rollback taxes are a first lien against the disqualified property until paid.

If property that is classified for greenbelt is taken by eminent domain or other involuntary proceeding, then the agency or body doing the taking shall be liable for the rollback taxes. Property that is voluntarily transferred and converted to an exempt or nonqualifying use will be considered to have been converted involuntarily if the transferee (grantee) or an agent for the transferee (grantee) sought the transfer and had power of eminent domain. Both the rollback assessment and the regular (prorated) assessment take place immediately rather than waiting for the next tax roll.

For more information...

Tennessee's Greenbelt Law is designed to preserve our farm and forest land for valued food and fiber and to maintain open space for public enjoyment by easing some of the burden of property taxes. We hope this publication has helped you understand the law and your rights and responsibilities as a greenbelt owner. Please direct any other questions you have to your county assessor of property or to the offices of the State Board of Equalization at 615/401-7883, or the state Division of Property Assessments at 615/401-7737.



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Greenbelt: A Taxpayer's Guide

As a Tennessean, you can pay less property tax if your property is dedicated to farm, forestry or open space uses. Usually the amount a property is taxed is based on what it is worth on the market. The Agricultural, Forest and Open Space Land Act of 1976, known as the Greenbelt Law, allows certain land to be taxed on its value based on its present use instead. This guide explains the law and your rights and responsibilities as a greenbelt owner.

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What property qualifies for the Greenbelt Law?

There are three types of land which may qualify for greenbelt classification: farm, forestry and open space land.

Agricultural land is land which "constitutes a farm unit engaged in the production or growing of crops, plants, animals, nursery, or floral products." The property may include some areas which don't produce farm products (such as woodland and wasteland). It may also include a homesite for the owner or farm operator (assessed at market value like other homes, not use value). The property must be at least 15 acres to qualify. Two noncontiguous tracts within the same county and owned by the same owner(s) may qualify if one tract is at least 15 acres and the other tract is at least 10 acres and together constituting a farm unit.

The assessor considers the number of acres, the portion of land used for farming and how much is produced. The assessor may presume that land is used for agricultural purposes if the land produces gross agricultural income (includes farm sales, farm rent or federal farm support payments) averaging at least \$1,500 per year over any three-year period in which the land is so classified. Property may also qualify if you, or your parent or spouse, have farmed the property for at least 25 years as long as you continue to live on the property and the property is not used for any purpose other than farming.

Forest land is property of 15 acres or more used in the growing of trees "under a sound program of sustained yield management" or with an amount and quality of tree growth which is managed like a forest. The assessor considers the number of acres, the amount of timber, the actual and potential growth rate of the timber and the management practices being applied to the land. Forest land does not have to produce a specific income to be considered for greenbelt. A forest management plan is required to maintain a forest classification.

Open space land is property of three acres or more maintained in an open or natural condition, preservation of which benefits the public by conserving natural resources by providing a natural setting for people who might not otherwise have access to such a place and providing "relief from the monotony of urban sprawl." Although the property may be used for recreation by the public, properties which have been significantly developed for this purpose, such as golf courses, do not qualify. The property must be included within a plan for preservation approved by state or local planning agencies, or the owner must execute a perpetual open space easement--which requires the owner of the land to maintain the property's open and natural character--in favor of the state commissioner of environment and conservation on terms approved by the commissioner.

In addition to agricultural, forest, and open space land, land where an open space easement has been executed for the benefit of a local government or a qualified conservation organization can also qualify under the greenbelt law.

Other Limitations. The law limits the amount of land which qualifies for greenbelt to 1,500 acres per owner per county. An "owner" may be more than one person. If you own property with others, you are "credited" with your portion of the property. If the owner is a corporation or similar entity, the law treats the corporation as an owner and "credits" the individual owners of the corporation with their proportionate share.

How do I apply for greenbelt?

To qualify for greenbelt, you must apply by March 1. Application is made to the assessor using a form provided by the state. You must certify on the form what the property is used for. There is no fee to apply, but you must record the application in the county register's office if it is approved. You are responsible for any recording fee.

Greenbelt forest applicants should be prepared to provide information about the amount and type of timber on the property and the owner's current and proposed forest management practices for the property.

Once your application is approved, you do not have to apply each year so long as the ownership as of the assessment date (January 1) remains unchanged. Property that qualified for greenbelt the year before under different ownership is disqualified from greenbelt and will be subject to rollback taxes if the new owner does not timely apply. Application must be made by March 1 in the year following any change in the ownership as of the assessment date (January 1).

The assessor may ask you to supply information about the property income, use and ownership either when you apply or later. The law requires the assessor to make sure that only qualifying properties benefit from greenbelt.

How is "use value" determined?

Property approved for greenbelt is valued by the assessor at both its fair market value and use value. However, the assessment and taxes are based only on use value. Fair market value is what the property would sell for on the assessment date (January 1 of the tax year), considering not only the current use but any possible more intensive uses. For example, farm property located near residential subdivisions or commercial developments might have a higher market value because of the possibility of its future development. Use value, on the other hand, assumes that greenbelt land cannot be used for any purpose other than greenbelt.

In fact, a complex formula contained in the law assures that use value is almost always less than fair market value, and usually much less. The formula is used to determine a use value schedule for various types of agricultural land, which is recalculated every 3 to 6 years.

The assessor determines use value from the county schedule and then calculates 25% of the total use value as the assessed value to which the current year's tax rate is applied.

The homesite of a greenbelt tract is not valued from the use value schedule but instead valued from a market value schedule established for rural land in the county. The home itself is valued like any other residence in the county.