

# Application for Rural Preserve Property Tax Program (M.S. 273.114)

Provides property tax relief to taxpayers who own land covered by a conservation management plan.

Please read instructions before completing. This application must be signed, dated and returned to the county assessor's office (along with all attachments) by May 1 to be eligible for deferral for taxes payable in the following year.

|                             |  |
|-----------------------------|--|
| <b>Before you can apply</b> | <p><b>Before you complete or submit this form the following statements must be true:</b></p> <p><input type="checkbox"/> I have read the instructions on this form and have determined that I and the land I wish to enroll meet the requirements to participate in Rural Preserve.</p> <p><input type="checkbox"/> I understand that as a condition of enrolling the land in Rural Preserve, I agree to abide by the prescriptions set forth by my conservation management plan for a minimum of 10 years and have recorded a covenant showing a recording date prior to the May 1 deadline with the county office in which the land is located.</p> <p><input type="checkbox"/> I certify that the land is not enrolled in the Green Acres program, Open Space program, the Sustainable Forest Incentive Act, or classified as 2c Managed Forest Land.</p> <p><input type="checkbox"/> I certify that there are no delinquent property taxes owed on any of the land being enrolled in Rural Preserve.</p> <p><input type="checkbox"/> I have attached copies of the recorded covenant, including Exhibits A and B, for the land I wish to enroll. I have also attached a copy of the conservation management plan that covers all the land I am enrolling. (See instructions on back for information on qualifying management plans.)</p> |
|-----------------------------|--|

|                              |   |       |     |
|------------------------------|---|-------|-----|
| <b>Landowner Information</b> | <p><b>This section to be completed by all applicants.</b> Please fill out the following information for the owner or authorized representative of the entity that owns the property.</p>  |       |     |
|                              | Name of owner(s)  |       |     |
|                              | Property is owned by: <input type="checkbox"/> Private individual <input type="checkbox"/> Family farm entity <input type="checkbox"/> Authorized farm entity under section 500.24 <input type="checkbox"/> Corporation owning a nursery<br><input type="checkbox"/> Other Please specify: _____  |       |     |
|                              | Mailing Address   |       |     |
|                              | City  | State | Zip |
|                              | <p><b>To qualify for Rural Preserve, <u>one</u> of the following must apply:</b></p> <p>1. The property you are enrolling was properly enrolled in Green Acres in 2008 under your ownership.    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>2. The property you are enrolling is part of an agricultural homestead.    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p> |       |     |

|                           |  |                                      |                                       |
|---------------------------|--|--------------------------------------|---------------------------------------|
| <b>Parcel Information</b> | <p><b>Provide the following information for each parcel of land you wish to enroll.</b> (If you fail to provide the required information, including number of eligible acres for each parcel, your application will be delayed or denied.)</p> |                                      |                                       |
|                           | Covenant Recording number  | Property identification number (PID) | Number of eligible acres              |
|                           |  |                                      |                                       |
|                           |  |                                      |                                       |
|                           |  |                                      |                                       |
|                           |  |                                      |                                       |
|                           | (If you need more space, please attach another application)  |                                      | <b>Total of acres to be enrolled:</b> |

|                  |   |                      |      |
|------------------|---|----------------------|------|
| <b>Sign Here</b> | <p>By signing below, I certify that the above information is true and correct to the best of my knowledge, and I am an owner of the property or an authorized member, partner, or shareholder of the entity that owns the property for which Rural Preserve is being claimed.</p>                         |                      |      |
|                  | <p><b>Making false statements on this application is against the law.</b><br/>                 Minnesota Statute, Section 609.41 states that anyone giving false information in order to avoid or reduce their tax obligations is subject to a fine of up to \$3,000 and/or up to one year in prison.</p> |                      |      |
|                  | Signature   | Daytime phone<br>( ) | Date |

|                         |  |                      |      |
|-------------------------|--|----------------------|------|
| <b>For Assessor Use</b> | <p><b>This section is for assessor use only.</b></p>   |                      |      |
|                         | Application is: <input type="checkbox"/> approved <input type="checkbox"/> denied.<br>If denied, note main reason: | Assessor's signature | Date |

# Instructions for: *Application for Rural Preserve Property Tax Program*

## What type of property qualifies for Rural Preserve?

If you own property that was properly enrolled in Green Acres for the 2008 assessment or that is part of an agricultural homestead and covered by an approved conservation management plan, you may be eligible for Rural Preserve. You must apply with the county assessor.

### The property must:

- have been enrolled in Green Acres prior to enrollment in Rural Preserve, **or** be part of an agricultural homestead;
- be at least 10 acres in size;
- be covered by a conservation management plan developed by an approved plan writer;
- not be enrolled in Green Acres, Open Space, or SFIA;
- have no delinquent property taxes owed on the land; and
- be subject to a recorded covenant for a minimum of 10 years.

*All parcels being enrolled for the tax deferral on this application must be under the same ownership.*

## How Rural Preserves works

The assessor determines two values on land enrolled in Rural Preserve:

1. The “estimated market value” based on sales of similar property taking into consideration all of the outside factors that influence its market value.
2. The “value without regard to outside influences” or “Rural Preserve Value” which must not exceed the class 2a tilled value for that county.

Taxes are calculated on both values, but paid on the lower value each year. The difference between the tax calculated on the higher and lower values is deferred until the property no longer qualifies for Rural Preserve. When the covenant is terminated, the deferred taxes for the current year and two prior years must be paid to the county.

## How to apply

Complete the application and attach a copy of your conservation management plan and a copy of your recorded covenant (with appropriate exhibits).

Rural Preserve applications are made to and approved by the county assessor where the property is located. Application forms must be filed by May 1 in order to receive consideration for the following taxes payable year.

If you are granted deferment through this program, you will not be required to file this application each year. However, the county assessor may require you to provide an additional application or other proof deemed necessary to verify that you continue to qualify for the Rural Preserve deferment.

## Required documentation

You must attach a copy of your conservation management plan and a copy of your recorded covenant (with appropriate exhibits) to this form before submitting it to the assessor. A forest management plan or other type of conservation plan that meets the statutory requirements of this program and is approved by your local Soil and Water Conservation District may be used to qualify for the program.

## What about the 10 year Covenant?

Before applying for Rural Preserve, you must file a covenant agreement with the county recorder where the property is located. When you record the covenant, you are agreeing that:

- The covenant runs with the land, so it continues even if there is a change in ownership. Future owners must continue to comply with the terms of the covenant.
- The covenant will remain on the property for a minimum of 10 years. After at least five years of enrollment in the program, you may request to cancel the covenant. It will take another five years for the covenant to terminate. The covenant

does not automatically expire after 10 years. You must notify the assessor five years before you desire the covenant to be terminated.

- After the covenant is terminated, the land will not be eligible for re-enrollment in Rural Preserve for a period of three years.
- For the entire length of the covenant, you will be required to abide by the terms set forth in your conservation management plan.

## What happens when the covenant is terminated?

When the covenant is terminated by the owner, the property owner will have to pay back deferred taxes for the year of termination plus the two prior years. The deferred taxes are a lien against the property.

## Special local assessments

Special local assessments may be deferred while the property qualifies for Rural Preserve. When the property no longer qualifies for the program, all deferred special assessments plus interest are due.

## How we use information

The county assessor may share the information contained on this form with the county auditor, county attorney, Commissioner of Revenue or other federal, state or local taxing authorities to verify your eligibility for the Rural Preserves deferment.

You do not have to give this information. However, refusal may disqualify you from consideration for Rural Preserves deferment.

## Penalties

**Making false statements on this application is against the law.** Minnesota Statutes, Section 609.41 states that giving false information in order to avoid or reduce their tax obligations can result in a fine of up to \$3,000 and/or up to one year in prison.