

## CLEAN AND GREEN PROGRAM

### What is Clean and Green?

- Clean and Green is a preferential tax assessment program, whereby property taxes are based on use values rather than fair market values. This ordinarily results in a tax savings for landowners.
- The Pennsylvania state legislature enacted the program in 1974 as a tool to encourage protection of the Commonwealth's valuable farmland, forestland and open spaces.
- Currently, over 7 million acres are enrolled statewide.

### What are the eligibility requirements?

- A property must be ten acres in size, and in Agricultural Use, Agricultural Reserve, or Forest Reserve.
- Agricultural Use applications may be less than ten acres in size if the property is capable of generating at least \$2000 annually in farm income.

### How are use values determined?

- The Department of Agriculture supplies County Assessment Offices county-specific use values annually. The county has the option of implementing these values, or using lower values.
  - Agricultural Use and Agricultural Reserve values are based upon the income approach for land appraisal. The formula takes into consideration the state crop profit margin percentage for corn production, an average value of crop receipts per acre by county, a Soil Index Factor, and an average capitalization rate.
  - Forest Reserve values are based on the average value of timber in a particular county, or the average value of six timber types by county. The Pennsylvania Department of Conservation and Natural Resources calculates this value annually.

### Can I remove my property from Clean and Green after it has been enrolled?

- A landowner cannot voluntarily remove their land from Clean and Green without a land use change. When a land use change takes place, and rollback taxes have been paid, the landowner has the option of removing any portion of land that remains eligible, or the land that remains eligible will be re-enrolled.

### What is the penalty for a change in use of land?

- A landowner who breaches the covenant is subject to seven years of rollback taxes at six percent interest per year. The rollback tax is the difference between what was paid under Clean and Green versus what would have been paid, had the property not been enrolled, plus six percent simple interest per year.

### May I sell or divide my property without having to pay rollback taxes?

- The Act allows for two types of divisions or conveyances: "Split-offs" and "Separations."
  - "Split-off" is a division, by conveyance or other action of the owner, of land, into two or more tracts, for use of constructing a residence. Generally, no more

than two acres may be split-off per year. Cumulative split-offs from subsequent years may never exceed ten acres, or 10% of the total land originally enrolled, the lesser of the two.

- “Separation” is a division, by conveyance or other action of the owner, of land into two or more tracts of land, which continue to be in Agricultural Use, Agricultural Reserve, or Forest Reserve. The tracts must generally be ten acres in size and continue to meet the qualifications. No rollback taxes would be due.

#### May I build a home on my Clean and Green property?

- The split-off provision provides for the construction of a residence on enrolled property.

#### May I conduct non-agricultural activities on my Clean and Green property?

- The act allows for a “rural enterprise incidental to the operational unit”. This is defined as a commercial enterprise or venture that is conducted on two acres or less of enrolled land, and when conducted does not permanently impede or otherwise interfere with the production of an agricultural commodity on that portion of enrolled land that is not subject to roll-back taxes. The two acres on which this enterprise is conducted would be removed from preferential assessment, and rollback taxes would be due with respect to those two acres.

#### Must I allow public access to my Clean and Green property?

- Of the three categories - Agricultural Use, Agricultural Reserve, and Forest Reserve, the only category that needs to remain open to the public for passive recreational uses and free of charge on a non-discriminatory basis is *Agricultural Reserve*. A landowner may place reasonable restrictions on this, however. For example, a landowner need not allow access after dark, or carrying of firearms, or motorized vehicles.

#### How do I apply for Clean and Green?

- Please contact your county tax assessment office in order to obtain an application.

#### When is the deadline to apply for Clean and Green?

- The deadline for submission of applications is June 1 of each year, in order to be considered for the following tax year. This deadline is extended to October 15 in the year of a reassessment.

#### Must I re-apply annually for Clean and Green?

- Once enrolled, a landowner need not reapply. Landowners must, however, notify their county tax assessment office of any changes to the status of their enrolled land.