



January 18, 2024

SUMMARY OF BILL: Modifies the minimum size requirements two noncontiguous tracts of land must meet to qualify as agricultural land under the Greenbelt law.

FISCAL IMPACT:

Other Fiscal Impact – Due to the lack of available data regarding noncontiguous tracts of land, a mandatory recurring decrease in local revenue beginning in FY25-26 cannot be quantified.

Assumptions:

- Tennessee Code Annotated § 67-5-1004 provides that in order to be classified as agricultural land the property must meet certain use requirements and consist of:
 - A single tract of land which is at least 15 acres;
 - Two noncontiguous tracts within the same county with one tract being at least 15 acres and the other at least 10 acres; or
 - Two noncontiguous tracts within the same county that total at least 15 acres, are separated only by a road, body of water, or public or private easement and together constitute a farm.
- The proposed legislation modifies the minimum acreage requirements for noncontiguous tracts so that, beginning in tax year 2025, a property must consist of:
 - Two noncontiguous tracts within the same county with one tract being at least 15 acres and the other less than 15 acres; or
 - Two noncontiguous tracts within the same county that total at least 15 acres, with no requirement the tracts be separated only by a road, body of water, or public or private easement or constitute a farm.
- Such changes to the minimum size requirements would increase the number of noncontiguous properties that qualify for agricultural classification, and thus, result in a decrease in property tax revenue.
- To determine eligibility of the tracts of land under the proposed legislation, the Comptroller of the Treasury (COT) would need to examine each specific tract.
- According to the COT, the parcels that could qualify are not currently linked together in the property assessment data and, therefore, cannot be identified.
- With no existing examples of noncontiguous properties classified as agricultural land, any increase in the number of qualifying properties cannot be predicted. Therefore, any

mandatory recurring decrease in local revenue beginning in FY25-26 cannot be quantified.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/bh