

WHAT IS CLEAN AND GREEN?

Clean and Green is a preferential tax assessment program that bases property taxes on use values rather than fair market values. This ordinarily results in a tax savings for landowners. The Pennsylvania General Assembly enacted the program in 1974 as a tool to encourage protection of the Commonwealth's valuable farmland, forestland and open spaces. Currently, more than 9.3 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 10 acres in size if the property is capable of generating at least \$2,000 annually in farm income.

HOW ARE USE VALUES DETERMINED?

The Department of Agriculture supplies county assessment offices with use values annually. The county has the option to implement these values or use lower values. Agricultural Use and Agricultural Reserve values are based upon the income approach for land appraisal. This standard appraisal technique defines the agricultural use value of a tract of land as the present value of the income stream it can generate when put to its best agricultural use. 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.

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 6% interest per year after current year. The rollback tax is the difference between what was paid under Clean and Green versus what would have been paid, if the property had not been enrolled, plus 6% simple interest per year.

CAN I REMOVE MY PROPERTY FROM CLEAN AND GREEN AFTER IT HAS BEEN ENROLLED?

A landowner may voluntarily remove their land from Clean and Green by notifying the county assessor by June 1 of the year immediately preceding the tax year for which removal is requested. Rollback taxes are due upon submission of the request.

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." A 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. No more than two acres may be split-off per year except if the municipality requires a minimum three-acre subdivision to construct the residence. Cumulative split-offs may never exceed 10 acres, or 10% of the total land originally enrolled, the lesser of the two. Rollback taxes would be due only with respect to the land split-off. Separation is a division, by conveyance or other action of the owner, of land into two or more tracts of land that continue to be in Agricultural Use, Agricultural Reserve, or Forest Reserve. The tracts must usually be at least 10 acres in size and continue to meet the qualifications. No rollback taxes would be due.

MAY I BUILD AN ADDITIONAL HOME ON MY CLEAN AND GREEN PROPERTY?

The split-off provision provides for the construction of a residence on enrolled property. Please check with the county assessment office.

For further information or to request an application, please contact your local county tax assessment office at (570) 278-4600, Ext. 4001.

Clean & Green Program