

PENNSYLVANIA CLEAN & GREEN PROGRAM

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.

New this year are the updated Clean & Use Value, which will be no longer be divided into subcategories. The new use values will be based on individual soils. A complete list of the soils in the Commonwealth was provided by the USDA, NRCS State Soil Scientist. This list is divided by county and being provided to you as a link. Act 319 requires that the Pennsylvania Department of Agriculture provide assessors with use values annually.

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. 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.

PENNSYLVANIA CLEAN & GREEN PROGRAM

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.

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 not subject to roll-back taxes. The two acres on which this enterprise is conducted would be removed from preferential assessment. Rollback taxes would be due with respect to those two acres.

PENNSYLVANIA CLEAN & GREEN PROGRAM

May I Engage in Energy Development on My Clean and Green Property?

The program was recently amended to provide for oil and gas development with a limited rollback tax penalty. Rollback taxes are only due with respect to those areas of the property devoted to the activity - as determined by the county assessor upon submission of a well production report to the Pennsylvania Department of Environmental Protection (DEP). Similarly, commercial wind production is now permitted with rollback taxes limited to those areas devoted to the activity. Tier one alternative energy systems - such as solar and biomass - are permitted without any rollback tax penalty if most of the energy is utilized on the enrolled tract.

May I Engage in Mining On My Clean And Green Property?

The program was recently amended to allow for one small non-coal surface mining permit on enrolled land. Rollback taxes are due on the affected areas.

Must I Allow Public Access to My Clean and Green Property?

Agricultural Reserve is the only category that needs to remain open to the public for passive recreational uses free-of-charge on a non-discriminatory basis. A landowner may place reasonable restrictions on this, however. Examples include: limiting access after dark, prohibiting hunting and restricting use of motorized vehicles.

How Do I Apply for Clean and Green?

Please contact your county tax assessment office to request an application.

PENNSYLVANIA CLEAN & GREEN PROGRAM

What Is the Deadline to Apply for Clean and Green?

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

Must I Re-Apply Annually for Clean and Green?

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

Contact

Christopher Snyder
Assistant Director

717-257-6532

snchristop@pa.gov