

PUBLIC CHAPTER NO. 1161**HOUSE BILL NO. 3871****By Representative Fitzhugh****Substituted for: Senate Bill No. 3951****By Senators McNally, Henry, Burchett**

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, Part 10, relative to the Agricultural, Forest and Open Space Land Act of 1976.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-1003 is amended by deleting the third sentence of paragraph (3) and substituting instead the following language:

If a parcel classified under this part is owned by a trust, partnership, corporation or other artificial entity, a person shall be deemed to have placed under the provisions of this part that percentage of the total acreage of such parcel that equals such person's percentage interest in the ownership or net earnings of such entity. Further, a parcel owned by an artificial entity shall be aggregated with parcels owned by other artificial entities having fifty percent (50%) or more common ownership or control, and together such parcels may not exceed the maximum acreage provided in this section.

SECTION 2. Tennessee Code Annotated Section 67-5-1005 is amended by deleting subsection (a)(1) and substituting instead the following:

Any owner of land may apply for its classification as agricultural by filing a written application with the assessor of property. The application must be filed by March 1. Reapplication thereafter is not required so long as the ownership as of the assessment date remains unchanged. Property that qualified as agricultural the year before under different ownership is disqualified if the new owner does not timely apply. The assessor shall send a notice of disqualification to these owners, but shall accept a late application if filed within thirty (30) days of the notice of disqualification and accompanied by a late application fee of fifty dollars (\$50).

SECTION 3. Tennessee Code Annotated Section 67-5-1006 is amended by deleting subsection (a)(1) and substituting instead the following:

Any owner of land may apply for its classification as forest land by filing a written application with the assessor of property. The application must be filed by March 1. Reapplication thereafter is not required so long as the ownership as of the assessment date remains unchanged. Property that qualified as forest land the year before under different ownership is disqualified if the new owner does not

timely apply. The assessor shall send a notice of disqualification to these owners, but shall accept a late application if filed within thirty (30) days of the notice of disqualification and accompanied by a late application fee of fifty dollars (\$50).

SECTION 4. Tennessee Code Annotated Section 67-5-1007 is amended by deleting subsection (b)(1) and substituting instead the following:

Any owner of land may apply for its classification as open space land by filing a written application with the assessor of property. The application must be filed by March 1. Reapplication thereafter is not required so long as the ownership as of the assessment date remains unchanged. Property that qualified as open space land the year before under different ownership is disqualified if the new owner does not timely apply. The assessor shall send a notice of disqualification to these owners, but shall accept a late application if filed within thirty (30) days of the notice of disqualification and accompanied by a late application fee of fifty dollars (\$50).

SECTION 5. Tennessee Code Annotated, Section 67-5-1008 is amended by deleting the word "or" in subdivision (d)(1)(B), and by deleting subdivision (d)(1)(C) in its entirety and substituting instead the following language:

(d)(1)(C) Such land is covered by a duly recorded subdivision plat or an unrecorded plan of development, and any portion is being developed; except that where a recorded plat or an unrecorded plan of development contains phases or sections, only the phases or sections being developed are disqualified.

(D) An owner fails to file an application as required by this part;

(E) Such land exceeds the acreage limitations of § 67-5-1003(3); or

(F) Such land is conveyed or transferred and such conveyance or transfer would render the status of the land exempt.

SECTION 6. Tennessee Code Annotated, Section 67-5-1008 is further amended by adding the following language at the end of subdivision (e)(1)

Property transferred and converted to an exempt or nonqualifying use shall be considered to have been converted involuntarily if the transferee or an agent for the transferee sought the transfer and had power of eminent domain.

SECTION 7. This act shall take effect on becoming law, the public welfare requiring it. If property is disqualified for use value classification solely as the result of this act, any rollback assessment shall be limited to tax savings accruing after the effective date of this act.

PASSED: May 20, 2008



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES



RON RAMSEY, SPEAKER
SENATE OF THE SENATE

APPROVED this 13th day of June 2008



PHIL BREDESEN, GOVERNOR