

Planning For Agriculture: Farmland Preservation Tools for Local Governments

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Land Use Tools Are Available for Local Governments

- Local comprehensive plans
- Agricultural zoning
- Land use assessment/sliding scale property tax rate
- Agricultural and forestal districts
- Purchase of Development Rights (PDR) programs
- Transfer of Development Rights (TDR) programs

Local Comprehensive Plans

- Local governments are required to complete comprehensive land use plans
- Outlines land uses across a locality, and a strategic plan for future development
- Need to be updated every 5 years
- Guard local jurisdictions from “takings” arguments

Agricultural Zoning

- Used to stabilize the land base
- Exclusive agricultural zoning
 - prohibits all non-farm uses
- Non exclusive agricultural zoning
 - limits the number of dwellings allowed
 - Large minimum lot size agricultural zoning
 - Area based agricultural zoning

Land Use Value Assessment

- Assesses property taxes based on current use and not fair market value
- Localities may enact special assessments for agricultural, horticultural, forestal and open space real estate
- Minimum of 5 acres for agricultural, horticultural and open-space, 20 acres for forestry
- 123 localities report land use assessment in effect for at least one type of property
 - 19 cities
 - 72 counties
 - 32 towns

Land Use Value Assessment

- Rollback fees are assessed if land changes to more intensive use (development)
- Rollback is 5 years of the tax benefit plus interest
- Specific “use value” is calculated for each locality
 - Determined by the State Land Evaluation Advisory Council (SLEAC)

Sliding Scale Property Tax Rate

- General Assembly authorized use of sliding scale in 1999
- Localities may provide lower assessments for properties held for longer periods of time (not to exceed 20 years)
- Rollback taxes equal the deferred tax plus interest from the effective date of the agreement
- Loudoun County has established this ordinance

Agricultural and Forestal Districts

- Areas where landowners join together to encourage and protect agriculture
- Criteria include the following:
 - Landowners must ask local governments to create
 - District must contain at least 200 acres
 - Locality must establish an ag district advisory committee
 - Applicants can propose district creation requirements
 - Applicants suggest term for district from 4-10 years

Agricultural and Forestal Districts

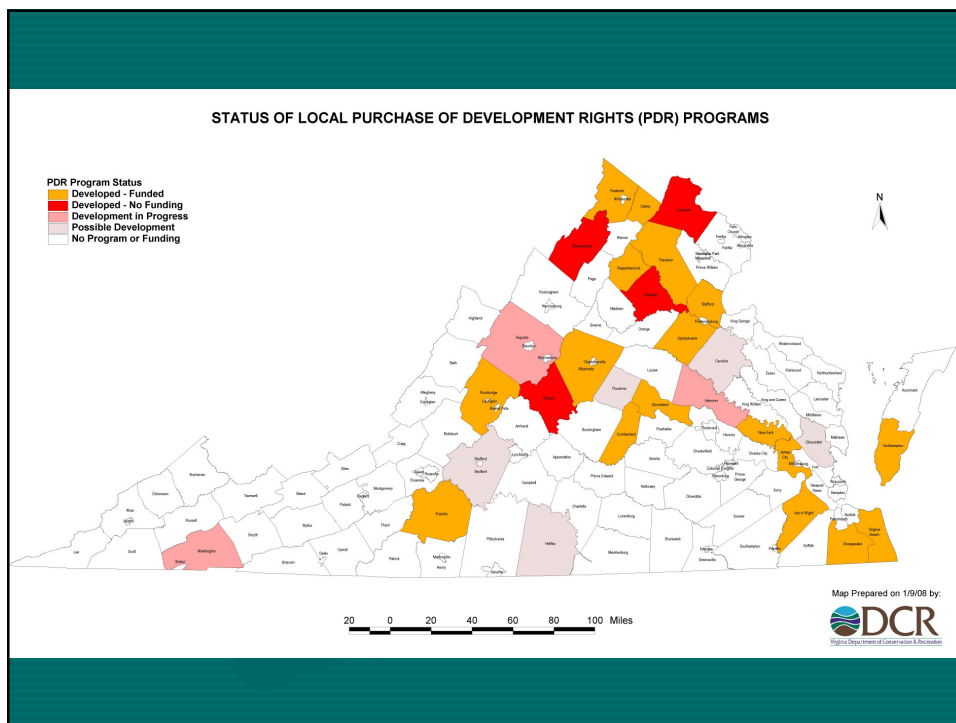
- Landowner benefits include:
 - Use value taxation (even if not approved in the locality)
 - Protection from nuisance ordinances
 - Local governments must take districts into account in planning decisions
 - Enhanced eminent domain protection
- Withdrawal limited to “good and reasonable cause”
- As of April 2008:
 - 336 districts in 30 localities covering 739,628 acres

Conservation Easements

- Legal agreements designed to permanently protect a desired conservation purpose
- Between landowners and a qualified conservation organization or public agency
- Deed of easement recorded locally and runs with the land
- Landowner retains all other ownership rights
- Allow for continued use of the property
- These are voluntary programs!

Conservation Easements (cont.)

- Easements can be donated
 - Federal tax benefits
 - Virginia state tax credits
- Easements can be sold
 - Purchase of Development Rights (PDR) programs
 - Transfer of Development Rights (TDR) programs



State Matching Funds for PDR Programs

- In 2007, Governor and General Assembly approved \$4.25 million for state matching funds to local PDR programs for FY 2007 and FY 2008
- Fifteen localities applied by first deadline, with almost \$45 million available in local PDR program funding
- Fourteen localities were certified for FY 2008 allocation round
- Award letters and intergovernmental agreements were released February 26

Allocation of State PDR Matching Funds- FY 2008

- Fund distribution:
 - Available funds divided equally by certified programs
 - Available on a \$1 to \$1 match
 - Remaining funds redistributed
- Other program mechanics:
 - Two years to use funds
 - Actual funds received upon closing of approved easement
 - Up to 50 percent reimbursement of easement purchase price and other reimbursable costs
 - Other state funds cannot be used as local match

Results of the 2008 General Assembly Session

- Funding for the Office of Farmland Preservation (OFP)
 - \$200,000 each year for FY 2009 and FY 2010
- Total of \$1.5 million in state matching funds for local PDR programs
 - \$500,000 in FY 2009
 - \$1 million for FY 2010

Transfer of Development Rights (TDR) Programs

- Allows landowners to transfer the right to develop one parcel (sending) to a different parcel (receiving)
- Established through local zoning
- Can protect working farm and forest land by shifting development

Transfer of Development Rights (TDR) Programs

- Landowner places easement on property and is compensated by the market
- Generally results in additional benefits for development in the receiving areas
- Authorized for local governments in 2006
- Has not been used to date

For Additional Information

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