TOPIC: AG LAND

Zoning speculators harm quality of life

It is sometimes said that the last crop to come out of dedicated farm or ranch land is a subdivision. The Denver Post recently ran a two-part expose on how tax breaks intended to help struggling farmers in Front Range counties, including Larimer County, are benefiting not those who make a living by growing wheat or grazing cattle, but rather those in the business of building houses and strip malls.

Agricultural lands are taxed at one of the lowest rates (mill levies) available. This rate is noticeably less than the ad valorem tax rate associated with unimproved property that's zoned as "vacant land." Often owned by family operators or their descendants, undeveloped lands typically are dedicated to continuing agricultural and ranching use. The Post story detailed how vagueness in state laws governing agricultural zoning have been exploited by real estate investors and land speculators to acquire and hold vacant lands for future commercial development. Such "land banking" might artificially subsidize these groups while reducing the amount of land available for agricultural use.

Several questions arise from this situation. One is whether investors and developers who acquire agricultural properties via land banking strategies — and who do not maintain those properties as productive agricultural lands — should benefit from reduced property tax rates that, technically, are being subsidized by other property taxpayers. Another, more compelling question for us is whether the state's policy accelerates urban sprawl, reduces the quality of Front Range life and compromises the long-term sustainability of our towns and cities.

We believe that it does. How so?

Once an agricultural property is no longer maintained, its fertility is reduced. Agricultural lands must be maintained to be productive, and many investors and developers do not maintain these newly acquired farmlands in the same manner as when they were dedicated farms and ranches. Additionally, water rights are often stripped from these former producing agricultural lands and sold as a separate property interest to the highest bidder. If the land is not maintained, it will be both difficult and expensive to return it to productive agricultural use, if at all. The consequences of nonmaintenance can be devastating, as evidenced by the continuing real estate bust in Florida.

The Wall Street Journal recently reported that about 140,000 acres of citrus groves across Florida have gone to waste as a result of failed land banking strategies. The unmaintained land has become a breeding ground for a type of citrus lice responsible for a plague that is wasting millions of acres of crops in the southeast. Whether Colorado is susceptible to such an ecological and economic catastrophe as a result of land banking is an open question. The economic and cultural sustainability of cities is intimately connected to the availability and productivity of agricultural land. Colorado's agricultural zoning laws should only apply to actively maintained agricultural and ranching lands. It should not provide incentives for those who would take these lands out of production to inventory for future, speculative development. If the state were to create clear policy and guidelines for counties regarding the equitable application of these zoning requirements, and assist in their enforcement, we believe that less land would be taken out of production prematurely and more would be properly maintained until such time as the seeds of that last crop — the subdivision — are sowed.

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