



The Pueblo Chieftain

LAND BANKING

Law does little to stop farmland raids

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By **KYLE CASCIOLI** and **DEAN SAITTA**

Governor Hickenlooper recently signed into law HB1146, which rolls back the state's favorable agricultural property tax rates for landowners who do not maintain farming or ranching operations on the property.

This became an issue when it was discovered that the state had a policy dilemma regarding the equitable application of Colorado zoning laws that determine whether a given parcel qualifies for the lower agricultural zoning property tax rate as opposed to the higher vacant land or residential zoning tax rate.

The critical point concerns developers who acquire large blocks of agricultural land for speculative future development as part of land banking strategies. In some cases developers either discontinue agricultural operations, scale operations back to insignificant production levels, or fail to maintain the land so

that it remains agriculturally viable until such time that it is developed.

Taking agricultural land out of production prematurely can have disastrous consequences. Last year in Florida, for example, tens of thousands of citrus groves “land-banked” by home builders for future development were not maintained, and became a breeding ground for a type of lice that eventually destroyed millions of acres of crops across the South.

The new law does nothing to address the premature removal of land from agricultural production. The law will zone and tax these properties at rates that are higher than the agricultural property tax rates, but only for properties under two acres.

During the run-up to bill passage JoAnn Groff, the state's property tax administrator, was quoted as saying: “A large number of Colorado agricultural properties include residences, and it will take effort to determine whether they are integral to agriculture.” She went on to state: “Perhaps not from a revenue standpoint, but from a fairness and equitable standpoint, I think (we) are taking a very large step.”

Ms. Groff, and our state legislators, have failed to address the real issue. While the new law will require Tom Cruise to pay his correctly zoned share of property taxes for the Telluride parcels where he grazes a few sheep, it will not discourage some production home builders from potentially gaming the system in land-banking strategies. Speculation and the accelerated disappearance of Colorado's agricultural lands will be especially consequential for Colorado's metropolitan suburban and exurban communities that benefit from nearby farming and ranching.

The critical issue here is not the equitable application of Colorado property tax law, but the need to maintain productive agricultural lands until such time as they are developed in response to market demand.

Our legislators should amend this law in keeping with an ethos of agricultural and urban sustainability. They should work to create policy that will keep producing farms near urban communities on both slopes, mitigate exurban sprawl along the Front Range, and maintain the quality of life for all Coloradoans.