

August 4, 2005

PRESENT: Dr. Charles W. Curry, Chairman
Charles C. Schooley, Vice Chairman
Larry C. Howdyshell
Garland Martin
Larry Shiflett
William Bashaw
Bruce M. Bowman
Betty Jo Hamilton
Kitra A. Shiflett
Clay Hewitt
Dale L. Cobb
Beatrice B. Cardellicchio

OTHERS PRESENT: Bob Willingham, Acting Assessor, Loudoun County

ABSENT: Mark Grove

VIRGINIA: Meeting of the Agricultural Task Force Committee held on Thursday, August 4, 2005, at 7:00 P.M., in the County Government Center, Verona, Virginia.

Chairman Curry asked if there was a motion or any changes to the minutes of the July 21, 2005 meeting?

Mr. Hewitt stated that he would like to omit the statements on page six that the land use rate should be lowered and the residential tax rate raised. He would also like to omit the local government portion from the minutes.

Vice Chairman Schooley stated that he would like to omit the shed and replace it with a house that is worth \$350,000 on page six.

Mr. Bowman stated that on page four of the minutes he thought Ms. Shrewsbury did not require additional staff.

Mr. Cobb stated that staff would check that out with Ms. Shrewsbury.

Ms. Shiflett moved to approve the minutes as revised.

Mr. Martin seconded the motion, which carried unanimously.

Chairman Curry stated that there were no items in the suggestion box.

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Sliding Scale Land Use Taxation

Mr. Cobb introduced Bob Willingham who is the Acting Assessor of Loudoun County. He will be speaking to the committee on sliding scale land use taxation.

Mr. Willingham stated that he is a native of Loudoun County. He stated that the total tax base is \$44 billion. He stated that the land use deferral is \$2 billion. He stated that the fair market tax is approximately \$463 million. He stated that the land use deferred is approximately \$21 million. He stated that Loudoun County is a little bit smaller than Augusta County. He stated that Loudoun County has 448 sliding scale parcels. He stated they have 20,965 sliding scale acres. He stated that Loudoun County is the only County in Virginia that has sliding scale. He stated that the maximum years for a sliding scale is up to 20 years. He stated that he has enclosed a County ordinance for the committee. He stated that if you hold the property in it's qualifying use for more than 10 years, but not exceeding 20 years the property owner would have 99% of the use value tax deferred. He stated that if the property owner holds the property in it's qualifying use for more than 5 years but not exceeding 10 years, the property owner would have 50% of the use value tax deferred. He stated that if a property owner is not sure if they want to do the full 20 year timeframe they could always renew the agreement. He stated that in order to qualify for sliding scale you have to qualify for land use. He stated that in order to qualify for the additional deferral the property owner must execute a written agreement. He stated that the written agreement should be in a form approved by the County Attorney, be executed by the County, and recorded in the land records. He stated that sometimes people sign the agreements but do not read them.

Vice Chairman Schooley asked if the rollback is state or a county law?

Mr. Willingham stated that it is a state law. He stated that there is a rollback tax if the property is taken out of the agreement. He stated that the interest is 30-50% which is a very harsh penalty.

Mr. Shiflett stated that the penalties are severe but look how much they save.

Mr. Willingham presented a chart to the committee:

Assumptions:

10 acre parcel
1 acre non-qualifying land (house site, driveway, etc.)
Qualifying in the Open Space Category

Fair Market Value:	Land	\$125,000
	Buildings	<u>\$250,000</u>
	Total	\$375,000

Fair Market Value Taxes at Current Tax Rate: \$3,900

Calculation of Use Value Assessment:

1 acre non qualifying house site	\$60,000
9 qualifying acres of Open Space	<u>\$10,800</u> (\$1,200 per acre)

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Use Value Land Assessment	\$70,800
Fair Market Building Assessment	<u>\$250,000</u>
Taxable Value in Use Value	\$320,000

Taxes Under Use Value at Current Tax Rate: \$3,336.32

Calculation of Use Value Assessment Sliding Scale Agreement 11 Years:

1 acre non qualifying house site	\$ 60,000
9 qualifying Acres of Open Space	<u>\$ 110</u> (99% deferral)
Use Value Sliding Scale Land Assessment	\$ 60,110
Fair Market Building Assessment	<u>\$250,000</u>
Taxable Value in Use Value Sliding Scale	\$310,110

Taxes Under Sliding Scale at Current Rate: \$3,225.14

Assumptions:

100 acre parcel with no building
 0 acres of non-qualifying land (house site, driveway, etc.)
 Qualifying in the Open Space Category

Fair Market Value: Land \$1,000,000

Fair Market Value Taxes at Current Tax Rate: \$10,400

Calculation of Use Value Assessment:

100 Qualifying acres of Open Space:	\$120,000
Taxable Value in Use Value:	\$120,000

Taxes Under Use Value at Current Tax Rate: \$1,248

Calculation of Use Value Assessment Sliding Scale Agreement 11 Years:

100 Qualifying Acres of Open Space:	\$1,200 (99% deferral)
Taxable Value in Use Value Sliding Scale:	\$1,200

Taxes Under Sliding Scale at Current Rate: \$12.48

Mr. Bashaw asked if his land sold what would happen?

Mr. Willingham stated that most of the people who are buying farms in Loudoun County are wealthy.

Mr. Bashaw stated that developers and people try to make money and divide farms into little farms.

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Mr. Willingham stated that with sliding scale deferral tax there is a lot of paperwork. He stated that the property owner pledges to continue the use for a certain period of time. He stated that Loudoun County is split up. He stated that in the east there is industry and development and the west is farming. He stated that Loudoun County's Board of Supervisors are trying to preserve as much open space as they can. He stated that they are trying to promote agriculture in Loudoun County. He stated that they have a Rural Economic Development department. He stated that this County is growing. He stated that in 1990 there were four high schools but today there are nine.

Mr. Hewitt stated that in Loudoun County this program did not accomplish what it was supposed to do.

Ms. Hamilton stated that is because of the close proximity to Washington DC.

Mr. Willingham stated that is correct. He stated that there is a pressure to build more houses. He stated that a new house is priced at \$650,000 in Loudoun County. He stated that a townhouse is priced at \$400,000. He stated that the previous Board of Supervisors tried the PDR program. He stated that this Board did away with that program. He stated that there is a good speaker on PDRs from Virginia Beach. He stated that they have a really aggressive program.

Ms. Hamilton asked who has taken advantage of the sliding scale program?

Mr. Willingham stated that property owners that like to preserve open space take advantage of the sliding scale program. He stated that a historic property saved \$400,000. He stated that the rights were done through the Virginia Outdoors Foundation.

Mr. Shiflett stated that development would be coming up Interstate 81.

Mr. Willingham stated yes. He stated that Winchester and Frederick County has become developed. He stated that Clarke County came up with a Zoning Ordinance years ago that tried to keep development in certain areas. He stated that if you were to ride through Clarke County you would not see a lot of new subdivisions.

Mr. Bashaw asked how many miles is Loudoun County from Washington DC?

Mr. Willingham stated 30 miles. He stated that Clarke County took the density away when no one cared about development in that area.

Mr. Bashaw stated that he appreciates all of this information because something needs to be done before this happens to Augusta County.

Chairman Curry asked if there were any other questions for Mr. Willingham?

Mr. Cobb asked if Mr. Willingham thought Loudon County's sliding scale was a good program?

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Mr. Willingham stated yes but it is not saving farming in the County. He stated that he would recommend that if Augusta County does this program, they should publicize it and get people to understand what they are getting into with sliding scale.

Mr. Martin stated that some people do not want to get locked into the program.

Mr. Shiflett stated that the rollback tax is very severe. He asked if they could cutback on the rollback?

Mr. Willingham stated that would require a legislative change in Richmond.

Chairman Curry stated that this is the same as land use.

Mr. Shiflett stated that the tax rate should be lowered for farmers.

Mr. Willingham stated that is also a constitutional change as well.

Mr. Shiflett stated that the value should be lowered.

Mr. Willingham stated that the Commissioner of Revenue receives rates based on the amount of production.

Chairman Curry stated that it is up to the Commission of Revenue to set the rate.

Mr. Hewitt stated that land use should be lowered and the County should collect from non-qualifiers.

Mr. Willingham stated that land use could be revalidated every six years. He stated that a lot is done by field review. He stated that if the land does not qualify that is when the property owner gets a rollback tax. He stated that if they willingly lie then they are charged double. He stated that they have 16 appraisers on staff. He stated that they go out and take pictures and then staff writes certified letters to the property owners if they are in violation. He stated that the County must have people enforcing the laws.

Mr. Bowman stated that the Augusta County's Commissioner of Revenue spoke on the land use program at the committee's last meeting.

Ms. Hamilton stated that there should be a Board that decides if the property owner qualifies for land use.

Mr. Willingham stated that the property owner would go before the Circuit Court.

Chairman Curry thanked Mr. Willingham for attending the meeting.

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Agricultural Enterprise Zones

Mr. Cobb stated that he would like to follow up on agricultural enterprise zones. He stated that in your minutes on page four stated that there needed to be at least five employees with agricultural enterprise zones but there does not have to be. He stated that the law was passed without requiring any employees.

Coyotes

Mr. Cobb stated that the coyote issue was discussed at the last meeting. He stated that this program is for Rockingham and Augusta Counties only.

Mr. Cobb stated that there are two options:

		<u>Total</u>	<u>Augusta County</u>
Option 1	Full-time Trapper	\$70,00	\$35,000
Option 2	Part-time Seasonal Trapper (January – June)	\$35,000	\$17,500

Mr. Cobb stated that we could put bounties on coyotes. He stated that a lot of farmers do not submit a claim because there is no reimbursement for livestock killed by coyotes.

Mr. Howdysshell stated that in 2000 there were \$2,000 of claims. He stated that in 2004 there were \$3,500 worth of claims. He stated that the USDA employees are still available if needed. He stated that the Board could pay another government employee or put a bounty on the coyote instead.

Ms. Shiflett stated that she would not want hunters shooting near the livestock.

Mr. Howdysshell stated that with a bounty system the County could give \$75 during the peak season which is January – June and \$50 in July - December. He stated that the County still needs to get many of the details worked out. He stated that this could be done this year and then reevaluated.

Mr. Bashaw asked if the animal control people do this.

Mr. Howdysshell stated that the USDA handles this.

Mr. Bashaw stated that if animal control could not be used, the County needs to look at other options.

Ms. Hamilton stated that she has had trouble this year with the coyotes. She stated that many of her lambs have died. She stated that the County needs a full time trapper to catch the coyotes.

Mr. Hewitt stated that the bounty system is more cost effective. He stated that with the full time or part time trapper they will be spread all over Rockingham and Augusta Counties. He moved that the committee recommend the bounty system because of the cost effectiveness of the system.

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Mr. Shiflett seconded the motion. The vote was nine in favor with Ms. Shiflett opposing.

Vice Chairman Schooley stated that his ex-father in law was the dog warden and they are always spreading themselves out too thin across the County.

Mr. Shiflett stated that the bounty system is worth trying and it will give property owners more control.

Ms. Hamilton stated that she would like the hunters to have her permission to go on to the property.

Mr. Howdyshell stated that all of the details would be in the County ordinance.

Ms. Hamilton stated that when the USDA went to help her with her coyote situation they used poisonous collars and some of the poisons got into the lambs.

Dr. Kohl

Mr. Cobb stated that he would be advertising the August 18, 2005 meeting with Dr. Kohl in the newspapers. He asked if any of the committee members had any changes to the advertisement.

None of the committee members had changes to the advertisement for Dr. Kohl.

Open Discussion

Ms. Hamilton stated that she would like staff to come up with a comparison of Clarke County's and Augusta County's Zoning Ordinances. She would like to know the major differences and the comparisons.

Chairman Curry stated that he would like to here the committee's comments on sliding scale.

Ms. Hamilton stated that in Loudoun County this program did not work well. She stated that this program is still a tool because it will give the property owners a tax break.

Mr. Shiflett stated that he has no comment.

Ms. Shiflett stated that the rollback is very severe. She stated that she was not clear on how the incentive is structured. She stated that the County now has agricultural forestal districts for a certain time period.

Mr. Martin stated that he does not like the open space example. He stated that he is not sure if sliding scale will work in Augusta County or not.

Mr. Hewitt stated that he would not recommend this program until he saw some comparable figures.

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Mr. Howdysshell stated that this is a tool for the toolbox.

Mr. Bashaw stated that the Board of Supervisors should figure out the rollback tax and lower the land use value.

Mr. Bowman stated that he agrees with Ms. Shiflett. He stated that he would support this program if time limits were similar to the agricultural forestal districts.

Vice Chairman Schooley stated that this program could be beneficial if it is done the right way. He stated that the rollback should not be that out of hand.

Chairman Curry stated that when they first started he thought that this was the most promising tool. He stated that he likes that this is a volunteer program.

Mr. Cobb stated that Augusta County needs to have incentives to get people to use the programs available to them. He stated that people do not want to be regulated by laws.

Vice Chairman Schooley stated that he would like to know if the sliding scale rollback tax is state mandated or not?

Mr. Cobb stated that he will ask Mr. Willingham that question.

Chairman Curry asked staff to put sliding scale on the agenda for the September 1, 2005 meeting.

Ms. Hamilton asked if the committee was going to have another chance to have another public meeting?

Chairman Curry stated that the meeting with Dr. Kohl is some additional time for the public to ask any questions.

Mr. Howdysshell stated that because the County is paying Dr. Kohl, the public will be invited in to listen and ask questions.

Mr. Cobb stated that Dr. Kohl is not being paid. He stated that he asked the County to make a donation to Virginia Tech. He stated that he has also requested that the County provide him with gas and lodging.

Chairman Curry asked if any of the committee members would like to go to Virginia Beach to learn about the PDR program?

Mr. Bowman stated that he may be able to go in September.

Ms. Hamilton stated that she would like to go in October.

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Mr. Cobb stated that cities are allowed to do things that a county cannot.

Chairman Curry stated that he would like one of the committee members to go to Virginia Beach as soon as possible.

Mr. Bowman stated that he will look at his schedule.

Chairman Curry stated that he should work with Rick Shiflet on the grant money that the committee received.

Ms. Shiflett stated that Virginia Beach is different than Augusta County.

Chairman Curry stated that staff should add Conservation Easements and TDRs to the agenda for a discussion at the September 1, 2005 meeting.

Ms. Hamilton stated that she would like a list of the recommendations so far that the committee has had.

Mr. Bowman stated that the County should consider hiring an agricultural development person. He stated that this person should be the central person that people go to with agricultural questions.

There being no further business, the meeting was adjourned.

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Chairman