

Submitted on 7/28/15 to the *Morgan County Citizen* by the Madison-Morgan Conservancy and the Morgan County Farm Bureau

CUVA Benefits Everyone

Which of these scenarios is fair: 1) farmland is taxed by soil type instead of “highest and best use” resulting in a property tax reduction, while residential land is taxed at “highest and best use” and sees no tax reduction; or 2) farmland pays \$2.61 in taxes for every \$1 it receives in services, while residential land pays 70 cents in taxes for every \$1 it receives in services. Neither scenario is really fair, right?

Well, those are the facts here in Morgan County. Farmland pays more in taxes than it receives in services. Residential land does not. How do you think those farmers feel about paying more than their fair share of taxes? Their cows don’t go to school or to jail. Goats don’t set fires, cotton doesn’t drive down the roads to the grocery store, and canola doesn’t read at the library.

About 90 “Cost of Community Services” studies have been completed by a variety of researchers around the country for cities and rural communities. In not a single instance did residential development generate sufficient revenue to cover its associated expenditures. Morgan County is no different - residential land fails to pay its fair share, while approximately 75% of Morgan County’s acres (agricultural in nature) pay significantly more in taxes than they receive in services generating a tax surplus.

According to GA Power’s Rope Roberts, the tax surplus provided by our critical mass of farmland (land not requiring County services) has been a key component in the fiscal health in Morgan County. And the reason Morgan County has that critical mass of land is not because farmers are taxed based on development potential (HBU), but because they are taxed on the land’s ability to produce crops (a.k.a. soil type) when they enroll in Conservation Use Valuation Assessment (CUVA). The tax savings have allowed farmers in Morgan County to retain a critical mass of farmland, the key to a viable agricultural industry.

CUVA is a state-governed ten-year covenant in which landowners agree to give up certain rights in return for a property tax incentive. Enacted in 1992, CUVA was designed to 1) relieve family farms from the pressure to convert their land from agriculture to some more urban use (stop the loss of farmland), 2) be more competitive with surrounding states in the taxation of agricultural land (stop the loss of farms/agricultural industry to other states), and 3) to protect greenspace, farmland, and timberland important to the state’s water and air quality.

CUVA has been Georgia’s most widely used and one of the most successful farmland preservation tools. It is the principal reason most of our farmers, many of whom have been here for generations, can afford to farm their land in the face of rising production

costs and property values. In return for the favorable property tax treatment, the farmer must keep the land undeveloped in a qualifying use for a period of ten years, or incur stiff penalties.

So what if CUVA went away? What would Morgan County look like? All you have to do is look west to see the results. The story goes like this: Farmer Jones loses CUVA and cannot now afford the property taxes on his 100-acre farm; Farmer Jones decides to subdivide his property into 50 lots and sell it; the new buyers build their 50 houses; those new landowners insist their dirt roads be paved (and paid for by the County); the new landowners have children who attend the public schools and need school bus service along with all the other services paid for by the public school system; the new landowners now require fire protection and police protection (at the County's expense); the new landowners demand the County extend water and sewer to their subdivision when their insufficiently sized wastewater system fails; the farmer adjacent to the new subdivision has cows and chickens, and the new landowners complain about the smell; the adjacent farmer sees a rise in property taxes, is accused of being a nuisance, and decides to subdivide and sell his property. The vicious cycle continues. This is the cycle CUVA was specifically designed to prevent. And you can see how the County's cost of services increases when land is converted from agricultural to a more intensive/residential use - just check out what your neighbors to the west in the big city are paying in taxes.

Hopefully you can see the value of CUVA – it not only protects our agricultural land and our agricultural industry (the largest industry in Morgan County and in GA), but (most importantly these days) it protects our County's fiscal health. Cows and cotton, hay bales and timber tracts are visual reminders that Morgan County and its cities, have managed to balance the delicate mix between rural character and balanced growth which is the envy of communities all over our state. We must take the long view in our planning for the future and focus on maintaining this balance that protects our quality of life. Let's encourage and embrace CUVA, based on the facts, so we can retain those natural, agricultural, and historic resources that make Morgan County unique and a good place to live and work.

Please contact either of us if you would like to discuss or need additional information.

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