

## **The Effect of Conservation on Your Taxes**

**First, Conservation Use Valuation Assessment (CUVA) – a state enabled program that assesses the value of farmland based on soil type rather than highest and best use in return for a 10-year covenant restricting development**

The debate is two sided. Farmers say, “Why should I pay for all those services I don’t get?” while landowners with no break on their property taxes say, “Why should I have to subsidize all those farmers?” It’s just not fair either way you look at it. Or is it?

Cows don’t go to school or to jail. That’s our favorite way of saying farms require fewer county services (roads, police, fire, water, sewer) than residential, commercial, or industrial land. There is proof that Morgan County land in CUVA pays more in taxes than it receives in services, and proof that residential development requires more in services than it will ever pay in taxes. That proof comes from a Cost of Community Services (COCS) study produced for the Morgan County Commissioners in 2007 by Jeff Dorfman (recently appointed by Governor Kemp as State Fiscal Economist).

See “Figure 2” from that study. If you doubt the numbers (or think it’s time for a revision), all you have to do is get your Google machine out, and you’ll find over a hundred COCS studies across the country completed by a variety of researchers for cities and rural communities. In not a single instance did residential development generate sufficient tax revenue to cover its associated services. See the “Revenue : Expenditures Ratio” bar chart for data from other Georgia counties.

Note: CUVA is eligible for agricultural land as well as wildlife habitat. In Morgan County, all CUVA parcels are currently enrolled in the agricultural category; none are enrolled in the wildlife category.

In full disclosure, this article is being written by three groups dedicated to farmland protection, so you may call our opinion biased. But our research and experiences lead us to the conclusion that fragmenting and developing farmland for houses is not in the best interest of our Morgan County community as a whole. It is our crystal ball that has compelled us to write this article, because we see what’s coming. And we already see what you see happening in Morgan County: farms along rural roads being subdivided into the smallest allowable lots for speculative residential development; our beautiful public vistas along those roads being eaten up by suburban sprawl; and more importantly, our farmers being priced out of the market.

Land access for farmers is the biggest hurdle in maintaining the agricultural industry, especially here in Metro Atlanta (yes, this year One Morgan is now included in the Metro). If farmers cannot afford to farm, they sell, or they subdivide and sell, the end result in both cases is the end of the farm. 50,000 acres of farmland in the 30-county area around Metro Atlanta are projected to change hands in the next 5 years. That’s us.

Morgan County has already lost 15 of its 23 dairy farms since 2013 and lost 6,262 acres of farmland between 2012 and 2017 (who knows how many more acres have been lost in the last three years).

Our message about CUVA: don't let anyone tell you replacing farms with residential development grows the tax base. It's simply not true. That kind of development has other impacts, just not a growth in tax revenue. Also, we hope you will thank your farmers. Ride out to see them and thank them for keeping your taxes low and for providing us all with food and fiber we enjoy on a daily basis – you'll no doubt enjoy the scenery on your way.

*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. 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.*

### **Conservation Easements are different and longer lasting than CUVA**

Rather than CUVA's 10-year covenant restricting development, conservation easements restrict land use in perpetuity. Forever. The landowner who executes the conservation easement and every future owner of that land must abide by the terms of the conservation easement.

Every conservation easement is different, tailored to the land and the landowner, and is enforced by a third party, usually a land trust. In Morgan County, landowners have voluntarily given up development rights to protect their family land, prime agricultural soils, special natural areas, working forests, working farms, wildlife habitat, scenic views, and historic sites. They usually receive a reasonable income tax incentive for doing so.

These kinds of permanent conservation easements protect public resources on 4,800 acres of private land in Morgan County. Why should the average Joe care? Well, the public resources on that private land (water supply, wildlife habitat, tree canopy for air quality, etc.) are protected by the landowners instead of our municipalities and government agencies, who are, therefore, not burdened with the responsibility of owning and managing the land. And that is good for taxpayers.

Most conservation easements in Morgan County have been executed on land already enrolled in CUVA. Therefore, the ad valorem taxes are already determined (CUVA value is assessed based on soil type). When a conservation easement is placed on land NOT enrolled in CUVA, the land is taxed at 25% of assessed value instead of at the 40% of assessed value (how all other land is taxed, with some exceptions of course).

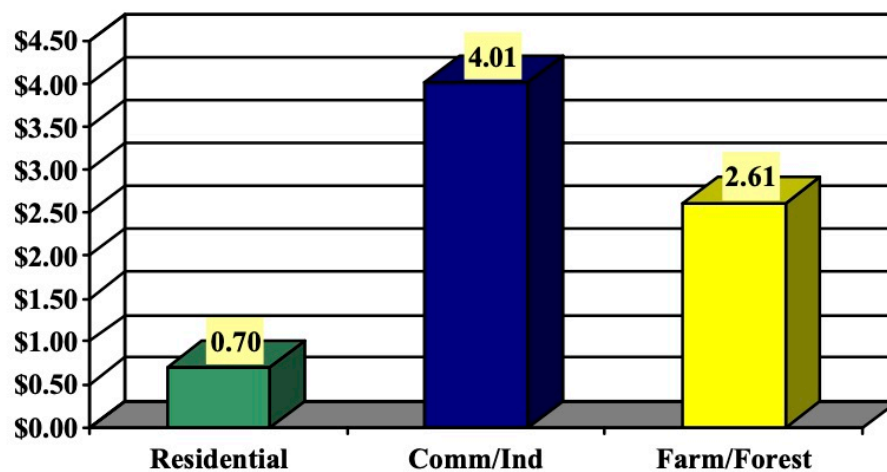
In summary, conservation land is not a drain on the tax base: it supports our two largest industries (agriculture and tourism), it requires few services, it contributes to a balanced tax digest, and it sustains our quality of life. If you are interested in knowing more, please contact any of us.

Lucy Ray, [lray@uga.edu](mailto:lray@uga.edu) or [lray@morganga.org](mailto:lray@morganga.org)  
Morgan County Extension Coordinator

Zeke Lambert, [zekelambert3@gmail.com](mailto:zekelambert3@gmail.com)  
Morgan County Farm Bureau President

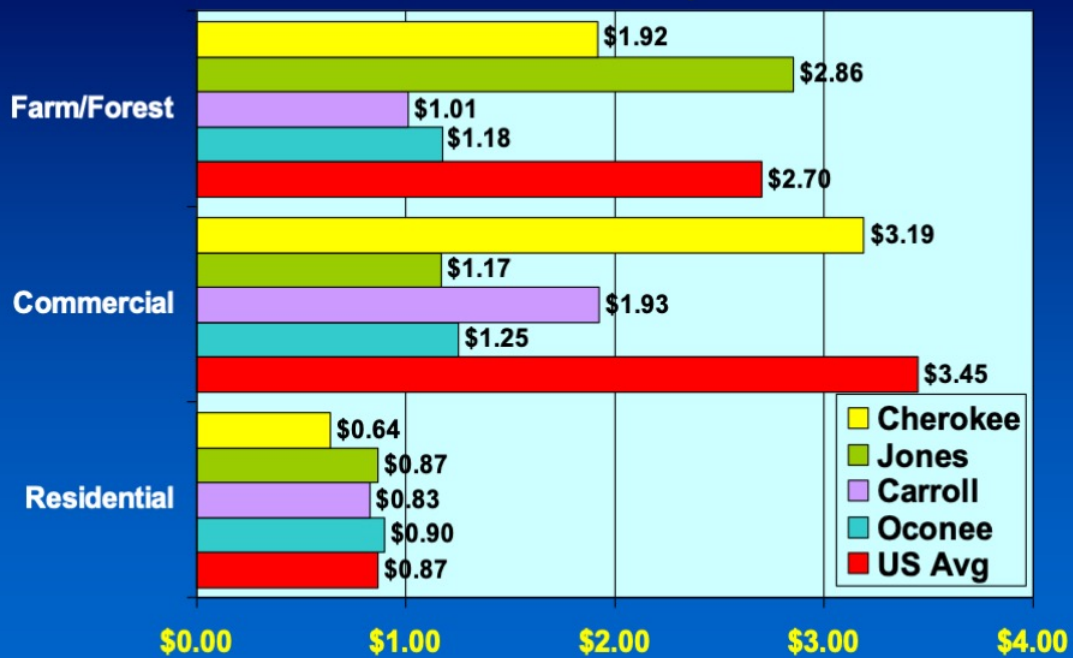
Christine Watts, [info@mmcGeorgia.org](mailto:info@mmcGeorgia.org)  
Madison-Morgan Conservancy Executive Director

**Figure 2. Revenues per \$1 of Expenditures by Land Use  
(County Government Plus County Schools)**



## Revenue : Expenditure Ratios

### \$ of Revenue for Each \$ of Expenditure



Dorfman, Jeffery, *The Economics of Growth, Sprawl and Land Use Decisions* (presentation), Dept. of Ag & Applied Economics, UGA, January 2004.