

RESPONSE TO ECONOMIC IMPACT ANALYSIS, 2 VAC 5-20, STANDARDS FOR CLASSIFICATION OF REAL ESTATE AS DEVOTED TO AGRICULTURAL USE AND TO HORTICULTURAL USE UNDER THE VIRGINIA LAND USE ASSESSMENT LAW

As required by Section 2.2-4007 of the Code of Virginia (1950), as amended, the Department of Agriculture and Consumer Services makes the following response to the Economic Impact Analysis prepared by the Virginia Department of Planning and Budget regarding proposed amendments to 2 VAC 5-20, Standards for Classification of Real Estate as Devoted to Agricultural Use and to Horticultural Use under the Virginia Land Use Assessment Law:

A. The second sentence under the heading "Estimated Economic Impact" refers to "the existing legislation," (emphasis ours) whereas it appears that what is meant is "the existing regulation."

B. Under the heading "Estimated Economic Impact," the Analysis contains two statements made in the order quoted below. The two sentences are:

1. "The net economic impact of this proposal is likely to be negative."

[and then]

2. ". . .the net effect [of the proposal] on the economy will be negative."

[emphasis ours]

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The second (latter) sentence states with certainty what the first sentence is not certain about--namely, the net effect of the proposal on the economy.

C. Under "Localities Particularly Affected" is a statement that ". . .localities that have a large number of farms producing crops such as apples, grapes, and peaches will be particularly affected by the proposed regulation." [emphasis ours]

The rationale for such a statement or the certainty with which it is expressed is not self evident, and no explanation is given under this heading. With respect to the quoted statement, the agency responds as follows:

1. The number of farms is immaterial in determining the tax effect on localities. It is the number of acres (not the number of farms) devoted to agricultural or horticultural purpose that has a bearing on reduced tax revenues; and
2. The proposal is about real estate that is devoted to certain purposes but that lacks a five-year-history of agricultural or horticultural use. Real estate fitting this description might be found both in localities where there are large numbers of farms already producing certain commodities and in localities where such farms are not numerous.

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