

2023 Legislative Issue Form

1. Contact Information

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2. Issue to be addressed and 3. Background:

Voluntary Agricultural Districts (VADs). The 2019 Larimer County Comprehensive Plan section Watershed and Natural Resources, section 2.1 Agricultural Lands Conservation and Stewardship states: *the county shall effectively sustain ranchlands and farmlands in prime agricultural areas through a combination of land use planning tools that meet ag land conservation goals, and specifies in section C.10 develop an Agricultural District to support perpetual farming and agricultural uses in specific rural areas where prime soils, irrigated agriculture and supportive infrastructure exist.*

A Voluntary Agricultural District (VAD) is an overlay district that includes important agricultural lands where landowners could voluntarily agree to maintain those lands in agriculture production for some agreed upon period in return for a package of incentives that benefit the participating farms and ranches. Such districts are in use in 21 states and have enrolled over 30 million acres of farm and ranch land. Most states have utilized a limited number of incentives having to do with tax relief, right to farm protection, protection from eminent domain and priority status for the purchase or transfer of development rights. We have the potential in Larimer County to provide a more complete package of incentives over time. Although local government can develop and offer part of those incentives, State and Federally enabled incentives will be equally important if a VAD is to be successfully developed and implemented in Larimer County and the concept supported at the State level in Colorado.

4. Legislative Remedy

State legislation is needed to enable official support and some of the incentives that would be key for motivating participation in a VAD. Things that might be included in what is likely to be an omnibus bill type of legislation are: tax incentives (property tax, assessed valuation on farm and ranch residences), licensing requirements for farm and ranch vehicles, the Great Outdoors Colorado (GOCO) process for prioritization for the purchase of development rights and conservation easements; the cap on State conservation tax credits (i.e. priorities when funds are nearing the cap), the Homestead property tax exemption, and other actions that must be initiated at the State level in order to incentivize VAD participation.

5. Non-Legislative Solutions

Larimer County has the ability to create part of the solution (design and incentivize VADs) at the local government level and the AAB has put a good deal of thought into how and where a VAD might work in Larimer County (and elsewhere in Colorado). Local incentives include priorities for the use of Open Space tax monies, reducing right to farm conflicts, application of eminent domain, priorities for the rental of irrigation water by utilities, the creation of a Commercial Agricultural Zone that supports all agriculture and other steps. State incentives, however, will greatly strengthen the probable participation of producers.

6. Colorado Revised Statutes Modification

We will be researching and discussing with our State representatives, specific statutes pertaining to property taxes; the Homestead Exemption; License plate costs; Conservation Tax Credits and other items mentioned in the Legislative Remedy section.

7. Relationship of the Issue with The Board of County Commissioners (BCC)

The Larimer County Agricultural Advisory Board (AAB) is appointed by the BCC and one of the BCC Board Members is a liaison to our board who has attended all of our meetings and we have discussed this issue with him. He has recently sent us this form and encouraged us to do the preparation necessary for BCC to take this issue to CCI. At the behest of our commissioner liaison, the legislative agenda work will be added to our annual work plan starting in July.

8. BCC Approval of this Proposal

Yes

9. Proponents and Opposition

The creation of an Agricultural District is part of the County Comprehensive Plan. There is a placeholder in the Plan while the VAD concept is developed and work is done with the likely extra-jurisdictional partners (City of Fort Collins, the State of Colorado, Federal Natural Resources Conservation Service NGOs). This proposal is a part of that work. The Adopted County Open Space Plan and the County Strategic Plan both include the preservation of ag land and water as goals. The extension of the County Open Space tax passed with 86% support from voters. So far, we know of no opposition to the creation of a VAD.

10. Support of Legislators

As AAB has just been given the green light to go ahead on this part of the VAD work, AAB, and County Staff and the BCC via CCI will need to work with our State representatives to talk about an omnibus bill that includes several of the components related to supporting Voluntary Ag Districts in Larimer County and elsewhere in the State.

11. Anticipated Fiscal Impact

We are not at the point where it would be easy to do fiscal analysis. Given that we do not anticipate a large population of participants in a VAD or VADs elsewhere in the future, one could assume that impacts would be limited and not difficult to estimate. Like tax credits for conservation, expenditures for State incentives could be capped and that is likely to be part of the draft legislation.

12. Subject Matter Expertise

Our Agricultural Advisory Board is learning about this subject and willing to work with County and CCI staff. Adams County has an Ag District in the making, but to date it may not include State incentives. We can assume that they would be interested in participating. The American Farmland Trust has long-standing knowledge about Ag Districts around the country and can be contacted for advice and additional references.

13. If your county is submitting multiple issue forms, please rank each issue. 2/4