

Approaches to Addressing Farmland Loss

Key Takeaways

- As the state of Tennessee continues to see population growth and urban/suburban sprawl, there is much concern about the loss of farmland.
- Coming from the perspective of free enterprise and private property rights addressing the loss of farmland can be a challenging topic to address.
- Two often discussed approaches to encourage maintaining farmland are conservation easements and the sale of development rights.

Questions

1. **Is your county seeing loss of farmland to urban/suburban sprawl?**
2. **What are ways Farm Bureau can address the loss of farmland?**
3. **How much should government be involved to prevent the loss of farmland in Tennessee?**
4. **What policies should be implemented at the state and local level to discourage the loss of farmland?**

Background

As the state of Tennessee continues to see population growth and urban/suburban sprawl, there is much concern about the loss of farmland. A bedrock principle of Tennessee Farm Bureau policy is the belief in free enterprise and private property rights, as quoted in the Philosophy:

We believe in the competitive American free enterprise system. Property rights are essential to the preservation of individual freedom. Most property should be privately owned, privately managed, and operated for profit.

Property rights in the United States are based on the English common law concept that landowners' rights can be metaphorically thought of a "bundle of rights" or a "bundle of sticks" in the various tangible and intangible aspects of the property can be bought, sold, leased, and traded. For example, a landowner who owns a 200-acre tract of land then leases 100 acres to Farmer A and the other 100 acres to Farmer B therefore transferring certain rights or "sticks" to the respective 100 acres to each Farmer A and Farmer B during the terms of the agreement. All the while the landowner maintains certain rights or "sticks" to the full 200 acres which are separate and distinct from the rights or "sticks" the lessees hold.

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challenging topic to address. The state of Tennessee's main policy approaches to the maintaining of farmland has been to create a great business environment to farm and the Greenbelt Law for property taxes. As for business environment, the state has exempted agriculture from local government zoning regulations which many farmers in other states manage. Also, the state has limited state tax implications for farmers as there is not a state income tax or property tax. Furthermore the state has sales tax exemptions for items used in production agriculture, which will be improved even more on January 1, 2023 when [PC1104](#) takes effect. In Tennessee the main tax for farmers is local government property taxes, which the state created the Greenbelt Law for farm, forest, and open-land landowners to pay tax on the use value of the property rather than the market value of the property as all other property is taxed. **Even with ideal conditions to farm from a state government policy perspective the state is still losing much farmland to urban/suburban sprawl.** Tennessee is not alone in this challenge, [according to a report by the American Farmland Trust](#) from 2001 to 2016, 11 million acres of agricultural land was lost to development in the United States. This report also ranks Tennessee the fourth most threatened state to lose farmland.

Two often discussed approaches to encourage maintaining of farmland are conservation easements and the sale of development rights. Conservation easements is a practice used in Tennessee. As the conservation easement is permanently recorded on the property title, it accompanies the land in perpetuity. A conservation easement, often referred to as purchase of agricultural conservation easement (PACE) program, is a voluntary legal agreement between a landowner and a land trust or government agency permanently limiting uses of the land, such as development, to protect its conservation value. Landowners retain many of their rights, including the right to own and use the land, sell the land, and pass it on to future generations.

The sale of development rights often referred to as Purchase of Development Rights (PDR) programs are incentive based, voluntary programs, administered by a public or government agency or a land trust, that purchasing conservation easements from landowners to remove the element of future development from eligible lands. PDR programs also seek to permanently protect productive, sensitive, or aesthetic

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landscapes. The landowner is allowed to continue their farming activities, and the landowner and their heirs may sell the property. A PDR program is often funded through various forms of government taxation or financing guarantees, and PACE programs are paid for through the private sector.

There are other ways states have tried to encourage the maintaining of farmland. **Many states use various taxing incentives to maintain farmland or to transfer farmland to beginning farmers. However, these programs are typically funded by state incentives for reductions in either state income or state property tax.** Tennessee does not have either a state income tax or state property tax. With property taxes being a function of local governments, a statewide approach to reduce property tax burden to transfer farmland to beginning farmers could be difficult to create and manage across the 95 counties.

Farmland is most susceptible to land-use change when the land is transferred from one generation to the next. Across the United States it is estimated there are more than four times as many farmers who are age 65 and older as there are farmers under age 35. As such, more than 40 percent of American farmland is expected to transition ownership by 2040.

Policy

Philosophy (partial)

We believe in the competitive American free enterprise system. Property rights are essential to the preservation of individual freedom. Most property should be privately owned, privately managed, and operated for profit.

Improving Family Farm Income (partial)

The loss of family farmers is nearing a level that should be alarming to all Tennesseans. If the public, government, and all commodity producers do not become more involved and work cooperatively together to find solutions, the agricultural industry in Tennessee could deteriorate beyond levels of recovery. Maintaining a strong viable agricultural sector is important to Tennessee, our region and the United States.

Land Use Planning

We oppose encroachment of federal, state and local governments on Tennessee agricultural and forest lands. Public entities should never be allowed to condemn more property than is actually needed for a project. Former owners should have the first right of refusal of condemned property that is no longer needed. Prime farm and forestland should not be condemned when other lands are available and well

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suites. We oppose this type of taking of private property. Landowners have the major responsibility for its development and conservation. Sale of development rights, land trust, and/or conservation easements should always be a voluntary option for interested landowners. The right to sell land must remain in the hands of landowners.

Municipalities and utility authorities should not have excessive power of eminent domain to take property in another jurisdiction without permission of the county commission of the affected area. We urge legislation to limit the condemnation authority of municipalities. Eminent domain should only be used in cases of great public need and when willing sellers cannot be found. Eminent domain authority should not be granted to private, for profit organizations.

Non-profit organizations should not be able to purchase land with tax exempt dollars for the purpose of selling land for a profit.

We oppose federal land use planning. Planning can best be accomplished at the local level of government and by private landowners.

Several local communities have used zoning very effectively in accomplishing orderly growth and designating land use to certain areas. Local planning can save tax dollars and protect landowners if local people make decisions. In those counties with zoning, local farmers should have adequate representation on planning commissions, zoning boards and appeal boards.

We oppose federal, state or local legislation imposing land use regulations to qualify for federal grants and loans or to participate in other government programs. No government agency should have the right to control land use without specific legislative authority. Local governments should not use zoning or local government functions as a tool to regulate agricultural practices.

Forced limitations on the use of land are a direct cost to the landowner, a depreciation of his most valuable asset. If society is served better through any forced limitation of land use, landowners should be adequately compensated for the loss of property value.

Tennessee is losing valuable farmland to urbanization. The agricultural district law and farmland trust are both voluntary tools for the protection of farmland. Efforts to educate farmers on the availability of these options should be enhanced.

County Farm Bureaus should engage local government policy makers to encourage smart-growth policies which promote and protect agricultural interests. Protecting prime agricultural land from development should be a top priority. Decision makers should carefully consider the consequences of each proposed project, which erodes Tennessee's valuable farmland resources. Such uses should receive a low priority in consideration of state funding needs.

In court cases where the landowner is awarded a higher value for his condemned property than was originally offered, all legal fees should be paid by the entity condemning the land.

Court cases involving eminent domain issues should be dealt with expeditiously.