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HERALD WATCHDOG

Law fails to save Florida farmland

Farmland-preservation experts say Florida's law granting agricultural tax breaks is one of the worst in the country.

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This is the second in a three-part series.

Florida's 1959 ''greenbelt'' law was among the nation's first to give property tax breaks to farmers. As the post-World War II building frenzy drove up property values -- and tax bills -- lawmakers sought to help growers and ranchers stay in business.

But half a century later, the state's pioneering law is one of the weakest in the country, largely unsuccessful in preserving farmland and easily exploited by developers.

''They just hand out the tax break to whoever asks, and they don't look at who they're giving it to,'' said national preservation expert Deborah Bowers. ''They're losing millions and millions of dollars, and the farmland. It's mind-boggling.''

Florida gave up as much as $745 million in tax revenue last year on agricultural tax breaks, Broward and Miami-Dade counties about $60 million between them. Yet a state that depends on agriculture as its second-largest industry has lost roughly eight million acres of farmland since 1954, a drop of more than 40 percent.

Most of the biggest financial beneficiaries of farm subsidies in South Florida are developers and speculators, a Herald investigation found. Some corporate landowners claim lots filled with rocks, melaleuca trees or dirt piles as pasture, cutting property tax bills on those parcels by as much as 99 percent.

TAX BREAKS

Most states impose safeguards designed to prevent abuse of agricultural tax breaks and ensure lasting benefits from the public's investment. In exchange for the subsidies, other states:

• Demand that landowners pay back taxes once development begins. Pennsylvania collects seven years' worth of tax savings plus interest. Massachusetts collects five years of back taxes, while New Jersey demands three years' worth. Wisconsin imposes a penalty based on the previous year's tax savings.

In Florida, landowners who pave over farmland don't have to pay back a dime. Back-tax proposals have been quashed by developers, one of the most powerful special interests in state government, and the farm lobby, which fears that any tweaking of the greenbelt law could undermine it altogether.

• Require that farms be a certain size and generate a minimum income. In New York, farms must be at least seven acres and gross an average of $10,000 a year. South Carolina calls for 10 acres of cropland or at least $1,000 in annual revenue for three of the past five years. Maine requires five acres and $2,000 in annual revenue in recent years.

In Florida, even money-losing farms on half-acre lots are eligible for tax relief, whatever their business practices. The Herald found skinny cows eating garbage at one scruffy lot in northwest Miami-Dade; at a Hialeah site, cow carcasses were decomposing in the dirt.

• Scrutinize corporations that seek the tax breaks. To be eligible in Minnesota, corporate landowners must prove that at least 80 percent of their revenue comes from agriculture.

In Florida, non-agricultural corporations can simply lease land to farmers. Subsidies go to national homebuilder Lennar Homes, television magnate and billionaire Edmund Ansin and warehouse developer Armando Codina.

• Make landowners promise not to build for a certain number of years. California's law, considered a model, requires landowners to sign 10-year commitments; even more generous tax relief is awarded to those who make 20-year commitments. Violators must pay up to 25 percent of the land's market value -- $250,000 on a lot worth $1 million. Maryland collects a tax when agricultural land is sold, waived only if the new owner promises to keep farming for the next five years.

In Florida, landowners can get farm subsidies in the same year that they break ground. Appraisers have granted tax breaks to developers who have already drawn up blueprints, calculated sewage and water use, rezoned the land for residential or industrial uses, and even installed utility lines.

''That is really over the edge,'' said Larry Libby, a rural-urban policy professor at Ohio State University. ''That is really exploiting the law for purposes nobody gains from. . . . Somehow or another, agriculture has to be defined in a meaningful way.''

Farmland preservation experts agree that for tax breaks to benefit genuine farmers and protect agriculture in the long term, states must impose some combination of no-build restrictions, income and size requirements, and financial penalties.

Not only is Florida missing those safeguards, but local property appraisers have not consistently enforced the law's few basic protections. They have awarded tax breaks on land purchased for more than three times its agricultural value, rezoned for development, or not kept up to farming standards.

'RIPE FOR ABUSE'

''Florida's program is ripe for abuse, and what you are seeing is the kind of abuse that happens any time programs aren't properly structured and apparently not properly enforced either,'' said Ralph Grossi, president of American Farmland Trust, a national conservation group. ''Just like the IRS tax code, people figure out ways to work around the program. . . . Florida hasn't updated its program in a long time, and that's really what the state needs to do now.''

The state's appraisers say they have periodically lobbied for reforms but have met resistance. They add that court rulings siding with developers have eroded an already weak law.

''Is it a frustration? Yes,'' said Miami-Dade Property Appraiser Frank Jacobs, who was appointed July 1. ''But we have to abide by the law and interpretation of the law by the courts.''

Newly elected Broward Property Appraiser Lori Parrish agreed that the law makes it difficult to deny the tax break. She said she would ask lawmakers to clarify portions of the statute.

Although growth management and how to pay for it dominated the annual legislative session this spring, agricultural tax breaks never came up. Instead, the Florida House passed a bill that would make it easier for some farmers to get their land rezoned for development. The measure -- which was pushed by a Palm Beach County grove owner seeking development rights -- failed to clear the Senate.

VETOED LAST YEAR

Legislators also chose not to set aside money for the Rural Land Protection Act, which would pay landowners to keep farming. Last year, Gov. Jeb Bush vetoed $5 million for the program, which has never received funding since it passed in 2001.

Bush spokesman Russell Schweiss said the governor thinks the law would unnecessarily duplicate the Forever Florida program, which receives about $300 million a year to buy environmentally valuable land.

Proposals to recoup back taxes on farmland that falls to development have come and gone since the 1960s. In 1992, then-state Rep. Hurley Rudd's plan to recoup three years of tax savings was shot down 7-0 by a House committee and never made it to the floor for a vote.

''I knew I was dead going in, and I sure as heck was dead coming out,'' said Rudd, who lives in Tallahassee. ''When you open that chapter of law, the agricultural interests are going to kill you.''

BACK TAXES

Tallahassee attorney Phil Blank, who served on a 1991 tax reform commission, also advocated a back-tax measure. ''Today, it would take about 30 seconds for it to die. Maybe 45,'' he said. ''The agricultural interests and development interests would oppose it, and there's no one on the other side strong enough to rule the day.''

The three most powerful people in Tallahassee -- Bush, Senate President Tom Lee and House Speaker Allan Bense -- have been developers. Both the development and farm lobbies dispatch legions of lobbyists and generous campaign contributions to the Capitol every year.

''We've always feared that once you open the greenbelt law and get it going through the process, someone could take it away,'' said Ben Parks, legislative affairs director of the Florida Farm Bureau. ''We're very protective.''

Asked about safeguards commonly found in other state laws, Parks said, ''We're Florida and we do things differently.''

RELIEF -- AND FREEDOM

Growth management advocates say that in a state where land is gold, many farmers have become developers-in-waiting. They want tax relief while they farm -- and the freedom to sell for top dollar later on.

''There's the whole hypocrisy about the poor farmer not being able to farm, but any proposal that encourages farmers to continue farming meets a brick wall up here,'' said Janet Bowman, legal director of 1000 Friends of Florida, which advocates growth management. ''Florida is going to be completely paved over. . . . Think about Florida without oranges.''