Middle Peninsula Conservation Corridor Plan

Middle Peninsula Planning District Commission
2010

As population within the Middle Peninsula rises, conservation corridor planning provides an option for localities to maintain rural character and traditional ways of life. Therefore the identification of green infrastructure throughout the Middle Peninsula will support the development of conservation corridor public policy and planning.

This project was funded in whole by the Virginia Coastal Zone Management Program at the Department of Environmental Quality rough Grant # NA09NOS4190163 Task 97.01 and Task 95 of the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, under the Coastal Zone Management Act of 1972, as amended.
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Executive Summary

As population growth and development increases in Virginia's coastal zone, so do the changes to the rural landscape. The Middle Peninsula, embedded with a strong natural resource-based economy, has many high priority green corridors. Areas including and surrounding the Mattaponi River, the Pamunky and the Piankatank provide optimal wildlife habitat as well as rural vistas unique to the Commonwealth. However most recognized as a pristine green asset to the region is the Dragon Run Swamp.

Middle Peninsula localities face the challenge of balancing development with protecting rural character. By identifying and prioritizing green infrastructure assets the development of conservation corridor public policy and planning in the future may be supported. Without such planning, much of the coastal zone's remaining conservation corridors will be lost as rural areas.

During this project Middle Peninsula Planning District Commission (MPPDC) Staff worked to develop green conservation corridor maps of the region. GIS data gathered from the 2006 Department of Conservation and Recreation - Division of Natural Heritage's (DCR-DHN) Virginia Natural Landscape Assessment as well as Virginia Department of Game and Inland Fisheries (DGIF), DCR, and Virginia Commonwealth University Center for Environmental Studies's Priority Conservation Areas (PCA) study, was specifically used to develop these maps. Providing a visual overview of the region's "green infrastructure", the maps supported Commissioners understanding of the green infrastructure planning and helped the Board pass a resolution supporting the management and importance of "Blue and Green Infrastructure" within the Middle Peninsula.

Additionally MPPDC staff assessed issues of green infrastructure. In conjunction with FY2009 NA09NOS1490163 Task 95, the current fiscal impacts of conservation easements and land holdings by tax-exempt organizations for conservation purposes within the Middle Peninsula were assessed. Through working with the Commissioners of Revenue from each county it was found that conservation easements benefit the locality through the composite index by lowering the total land book value reported to the Virginia Department of Taxation. This means that the locality will receive more State aid for education.

Overall, each Middle Peninsula County has a comprehensive plan that has a vision to preserve rural character through the preservation/conservation of open space, agricultural land, and forest land. Therefore conservation corridor planning provides an opportunity to the locality to benefit ecologically, socially, as well as economically.

Project Overview

As populations migrate toward the coast to enjoy the amenities of the region, Middle Peninsula localities will have to balance development pressures with protecting the rural character. To articulate the county vision, specific to growth and development, the County's Comprehensive Plan provides general, long-range, policy, and implementation guidelines for decisions related to land use. Within the Middle Peninsula, each county's comprehensive plan has seemingly similar visions to preserve rural character through the preservation/conservation of open space, agricultural land, and forest land. Hence conservation corridor planning will assist localities in achieving such preservation and conservation goals.

The Middle Peninsula Planning District Commission, funded through the Virginia Coastal Zone Management Program, worked for the last year informing local elected officials about conservation corridor planning. Through a variety of tools, including an information worksheet (Appendix A), regional maps (Appendix B) and presentations (Appendix C and D), the Commission was able to understand the concept as well as visualize the green assets within the Middle Peninsula. In addition to providing general information and maps of green infrastructure, MPPDC staff assessed green infrastructure issues beyond the ecological benefit, and explored the economic impacts of conservation efforts. More specifically, in conjunction with FY2009 NA09NOS1490163 Task 95, MPPDC staff worked with the Commissioners of Revenue from each member locality to understand how conservation easements and land holding by tax-exempt entities and political subdivisions for conservation purposes fiscally impact localities (Appendix E).

Green Infrastructure Outreach and Inventory Development

Middle Peninsula Planning District Commission (MPPDC) staff began this project with a board research effort focused on understanding the concepts underlying green infrastructure conservation corridor planning, and gathered case studies of communities that have developed green infrastructure plans. The research then became the foundation for MPPDC staff to develop an information sheet (Appendix A) about green infrastructure conservation corridor planning, how it may be beneficial to the

region, as well as green infrastructure planning initiatives within the Commonwealth of Virginia.

Upon completion of information worksheet, MPPDC Staff worked to develop maps that provided visuals of green infrastructure within the region. Originally, MPPDC staff gathered GIS data from the 2006 Department of Conservation and Recreation – Division of Natural Heritage (DCR-DHN) project, Virginia Natural Landscape Assessment, to develop maps of green infrastructure in the region. However through the course of the project, the Virginia Department of Games and Inland Fisheries (DGIF), DCR-DHN, and Virginia Commonwealth University Center for Environmental Studies, created Priority Conservation Area (PCA) data sets that included statewide green infrastructure updates. This PCA GIS data highlighted unfragmented habitat areas and potential links between contiguous patches of land, aquatic communities, wetlands, and identified habitat for rare species and special wildlife. Therefore, MPPDC staff utilized this data to develop a variety of regional maps (Appendix B) that depicted green infrastructure in the region that is considered of highest priority to conserve. In particular the maps included (1) a Composite of Ecologically Significant Areas in the Middle Peninsula (from DCR), (2) the most ecologically significant area in the Middle Peninsula, (3) Priority Conservation Areas and Currently Protected Areas within the Middle Peninsula (ie. Lands with conservation easements and managed lands through September 2010), and (4) Virginia Natural Land Networks – the link between unfragmented natural habitats in the Middle Peninsula.

To explore the economic impacts of conservation efforts, MPPDC staff assessed the unintended fiscal impacts to localities due to conservation easements and land holding by tax-exempt entities and political subdivisions for conservation purposes. MPPDC staff worked with Commissioners of Revenue from each member locality to understand county approaches to conservation easements, particularly as it relates to Virginia Tax Code requirements. Taking into consideration the differences between those counties that have adopted “land use assessment” and those localities that have not, MPPDC staff found that each county could improve current approaches in handling conservation easements within their county that could provide fiscal benefits through the Composite Index, and therefore aid State received for education.

Green Infrastructure Public Policy Endorsement

On two separate occasions, the Commission was presented with updates about this conservation corridor planning project. First, MPPDC staff explained that with approximately 888,000 acres of blue and green infrastructure within the Middle Peninsula, the region has some of the most highly valued natural assets in Virginia. The land is rich in soil for forests and farming, there's habitat for wildlife, and wetlands for drinking water storage and filtration. The waterways within the region are highly valuable for fish, oyster reefs, and underwater grass beds. To support this presentation MPPDC staff presents the completed information worksheet and regional maps to assisted the Commission in understanding the concept of conservation corridor planning and how it relates to the Middle Peninsula. Through some discussion and through a MPPDC staff recommendation, the MPPDC Board passed a resolution *Acknowledging the Importance of Blue and Green Infrastructure within the Middle Peninsula* (Appendix C).

During the second meeting (Appendix D), MPPDC staff updated the Commission on the conservation easements assessment and the fiscal impacts to localities. MPPDC staff explained that Commissioners of Revenue (CoR) have been over-reporting the total land book value and by doing so the localities are being short-changed for state aid through the composite index.

Conclusions

Conservation corridor planning within the Middle Peninsula may provide an opportunity for the region to maintain their rural character, and support traditional economies (ie. silviculture and agriculture), while reaping ecologic, social and economic benefits. As a result of this project MPPDC localities formally support and acknowledge the importance of blue and green infrastructure within the Middle Peninsula. Also through MPPDC staff's assessment of conservation easements as well as land holdings by tax exempt entities and political subdivision for conservation purposes, it was found that CoR could improve current methodologies that could benefit the locality through the composite index. With CoR having no guidance on the recordation or valuation of easements and there is no standard administrative mechanism to capture the recordation

of easements. The CoR of a locality that does not participate in a land use value program must determine the fair market value of the land as impacted by the easement while the CoR of a locality that does participate in a land use value program must determine the use value under the land use value program and shall assess the property at that value and tax as such. Through this assessment there were are four key findings: (a) easements lower land value and can help lower the composite index, (b) schools can receive more state aid funding because of easements, (c) Commissioners of Revenue are inconsistent when valuing conservation easements, and (d) Commissioners of Revenue have changed valuation practices because of this study. *Full report and finding may be found in Appendix E.*

Project Outcomes:

- An information worksheet about conservation corridor planning was developed.
- Regional maps depicting high priority conservation areas were developed.
- On July 28, 2010 Middle Peninsula Planning District Commission passed a resolution to acknowledge the importance of blue and green infrastructure within the Middle Peninsula.
- An assessment of conservation easements and land holdings by tax-exempt entities for conservation purposes was complete. Four major findings from the report include (a) easements lower land value and can help lower the composite index, (b) schools can receive more state aid funding because of easements, (c) Commissioners of Revenue are inconsistent when valuing conservation easements, and (d)

Next Steps

In year two of this project, MPPDC stall continue to work localities in order to gain an understanding of how current zoning within each county will impact the future development as well as conservation efforts in the future. MPPC staff will utilize the regional maps and overlay these maps with private easement and zoning classifications that are intended to limit development and protect and preserve natural resources. Juxtaposing these three layers will assist in the assessment of two concepts: (1) are private easements and conservation zones located in areas that the Commonwealth considers to be ideal for conservation efforts and (2) are current land use policies (including local conservation zoning districts) consistent with county comprehensive

plans (what's the relationship between protected lands, conservation zoning districts and PCA's).

MPPDC staff will also facilitate stakeholder meeting to discuss the findings from this year's project and the implication of how localities may be able to approach off-setting the revenue losses due to conservation efforts.

Appendix A:
Informational Worksheet

2010 Information Worksheet

Green Infrastructure:
Middle Peninsula Conservation Corridor Planning

What is Green Infrastructure ?

Natural resources that support native species, maintain natural ecological processes, sustain air and water resources and contribute to the health and quality of life in the Middle Peninsula.

Green Infrastructure within the Middle Peninsula may include waterways, wetlands, woodlands, wildlife habitats, and other natural areas; greenways, parks, conservation lands; working farms; ranches and forests.

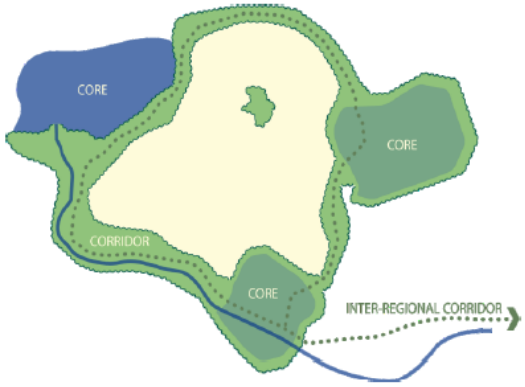
What is Green Infrastructure Planning?

Green Infrastructure planning begins to create interconnections between large habitat areas (aka. cores) through a network of corridors (Figure 1). Connected landscapes allow for people, wildlife, and plants to migrate with ease through the region.

Benefits of Green Infrastructure Planning?

- Protects ecological functions and processes
- Protects working lands and open spaces which improve quality of life
- May sustain rural land uses while emphasizing areas of high ecological integrity
- May support tourism, recreation (ie. bird watching, kayaking, etc.) and environmental education opportunities within the region
- May reduce habitat fragmentation; and preserve networks of natural areas that benefit biodiversity

Figure 1: Interconnected network of land and water (Green Infrastructure Center, 2009)



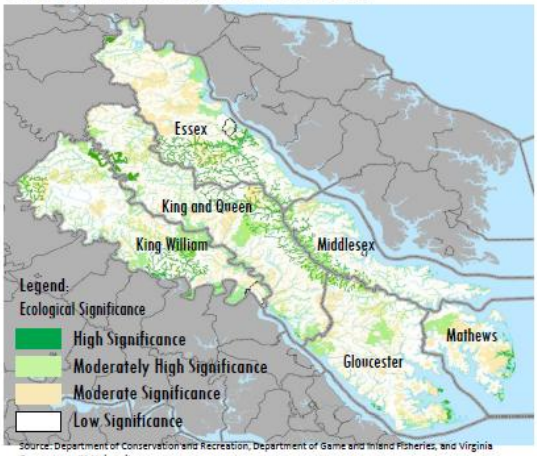
Has Virginia participated in Green Infrastructure Planning?

YES! In 2006 the Department of Conservation and Recreation – Division of Natural Heritage (DCR-DHN) developed the Virginia Natural Landscape Assessment in order to identify, prioritize and link natural lands in Virginia. Also, and more recently, the Virginia Department of Game and Inland Fisheries (DGIF), DCR-DHN, and Virginia Commonwealth University – Center for Environmental Studies created priority conservation areas throughout the Commonwealth. Such data highlights unfragmented habitat areas and potential links between contiguous patches of land, aquatic communities, wetlands, identified habitat for rare species and/or special wildlife. These identified features are specifically available to assist conservation planning or green infrastructure efforts.

Green Infrastructure at the Regional Level

Other Conservation planning endeavors have been pursued by the Hampton Roads Planning District Commission (PDC), Northern Neck PDC, and Richmond Regional PDC. Each plan focus on developing green infrastructure corridors that network through their region. However to begin to close the information gap between the Northern Neck and Hampton Roads Region, the Middle Peninsula has been asked to develop a green infrastructure conservation corridor plan. Because the Middle Peninsula is a very green region to begin with, the MPPDC will focus on the high priority conservation areas identified by the Sustainable Communities Initiative. The map below showcases the some areas in the region with the highest conservation priority. These areas include, but are not limited to, the Dragon Run, New Point Comfort, and Guinea.

Composite of the Ecologically Significant Areas in the Middle Peninsula

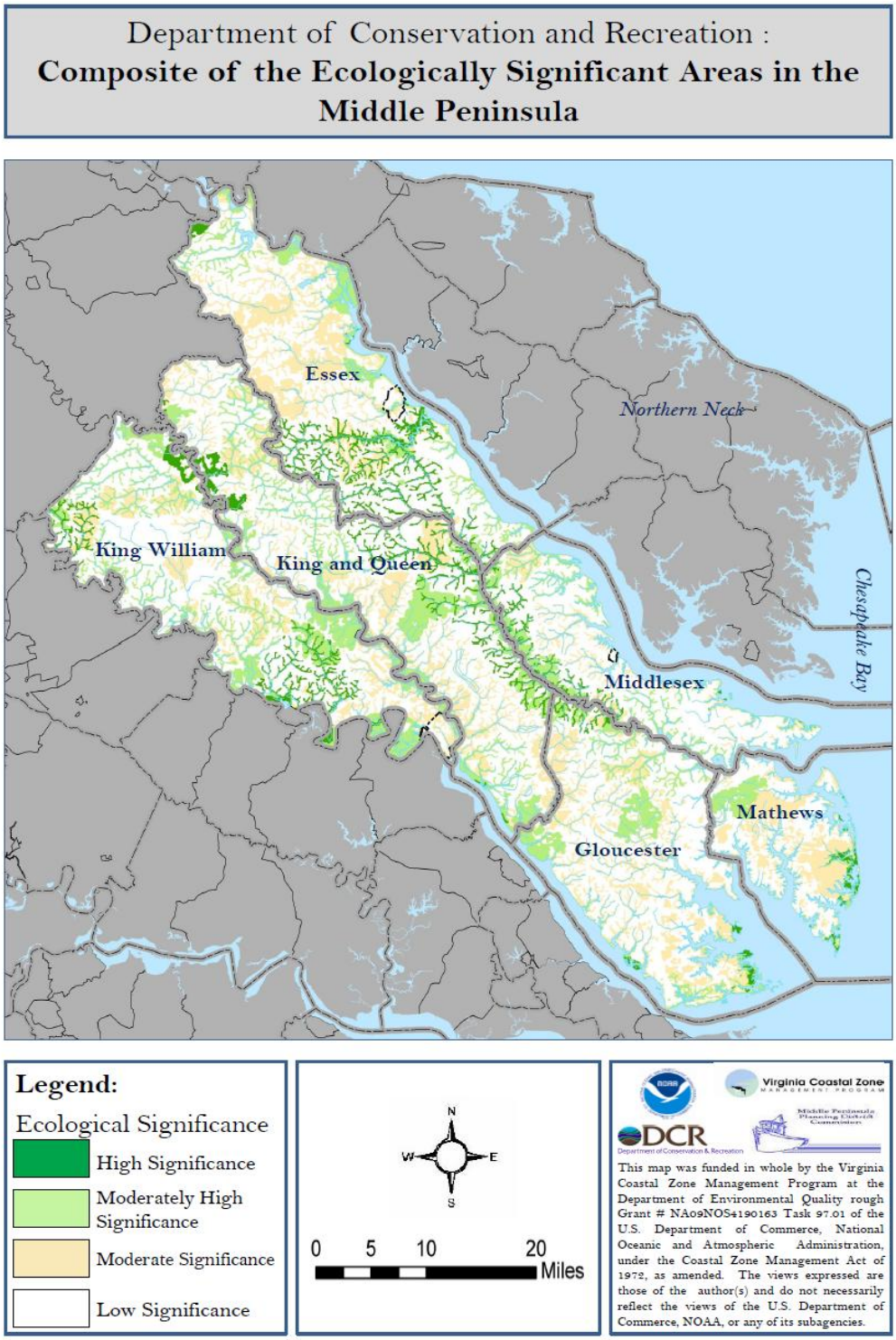


Source: Department of Conservation and Recreation, Department of Game and Inland Fisheries, and Virginia Commonwealth University

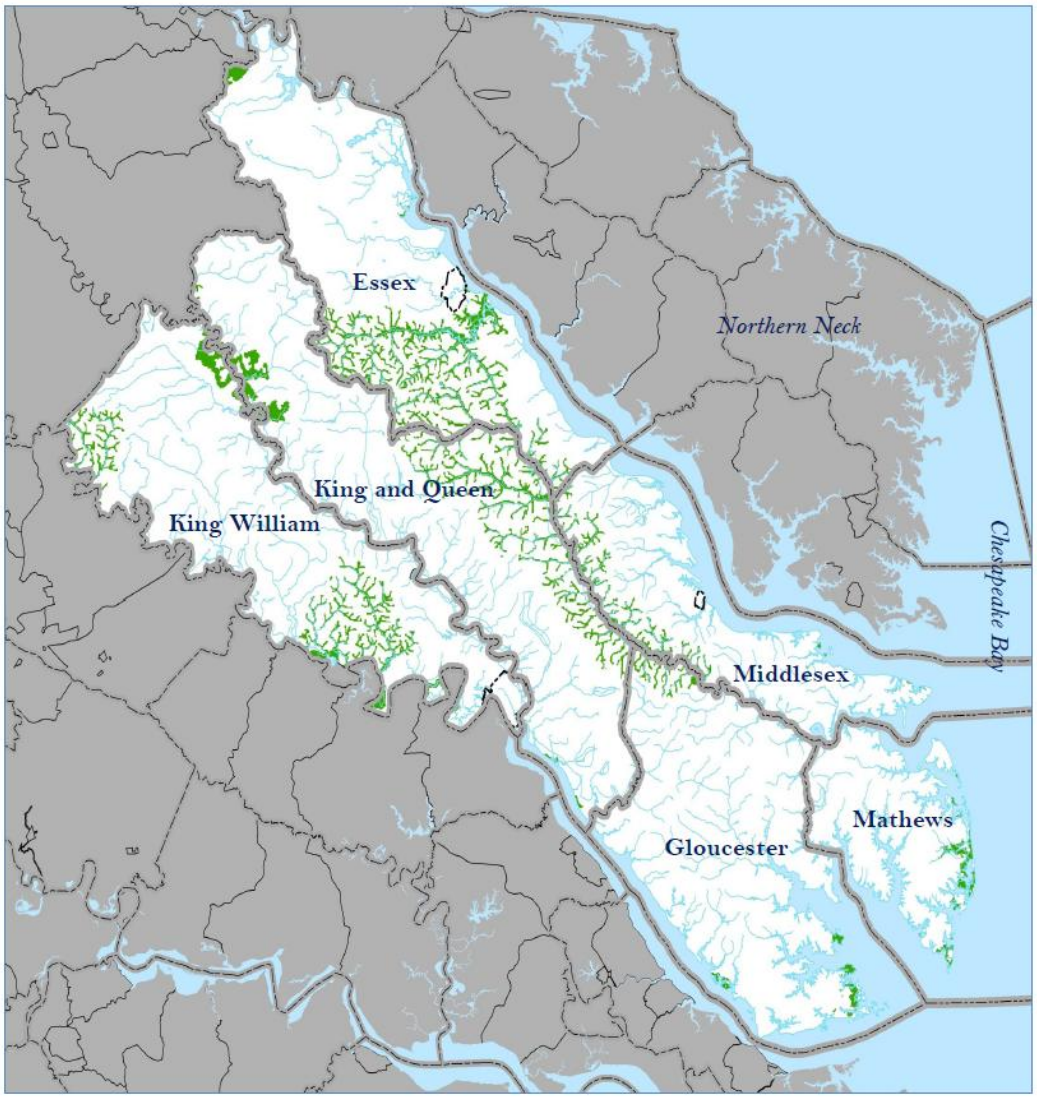
Middle Peninsula Planning District Commission
PO Box 286
Saluda, Virginia 23149
Phone: 804-758-2311

Virginia Coastal Zone
MANAGEMENT PROGRAM

Appendix B:
Regional Maps



Department of Conservation and Recreation :
Most Ecologically Significant Areas in the Middle Peninsula



Legend:
Ecological Significance

High Significance

N
W E
S

0 5 10 20 Miles

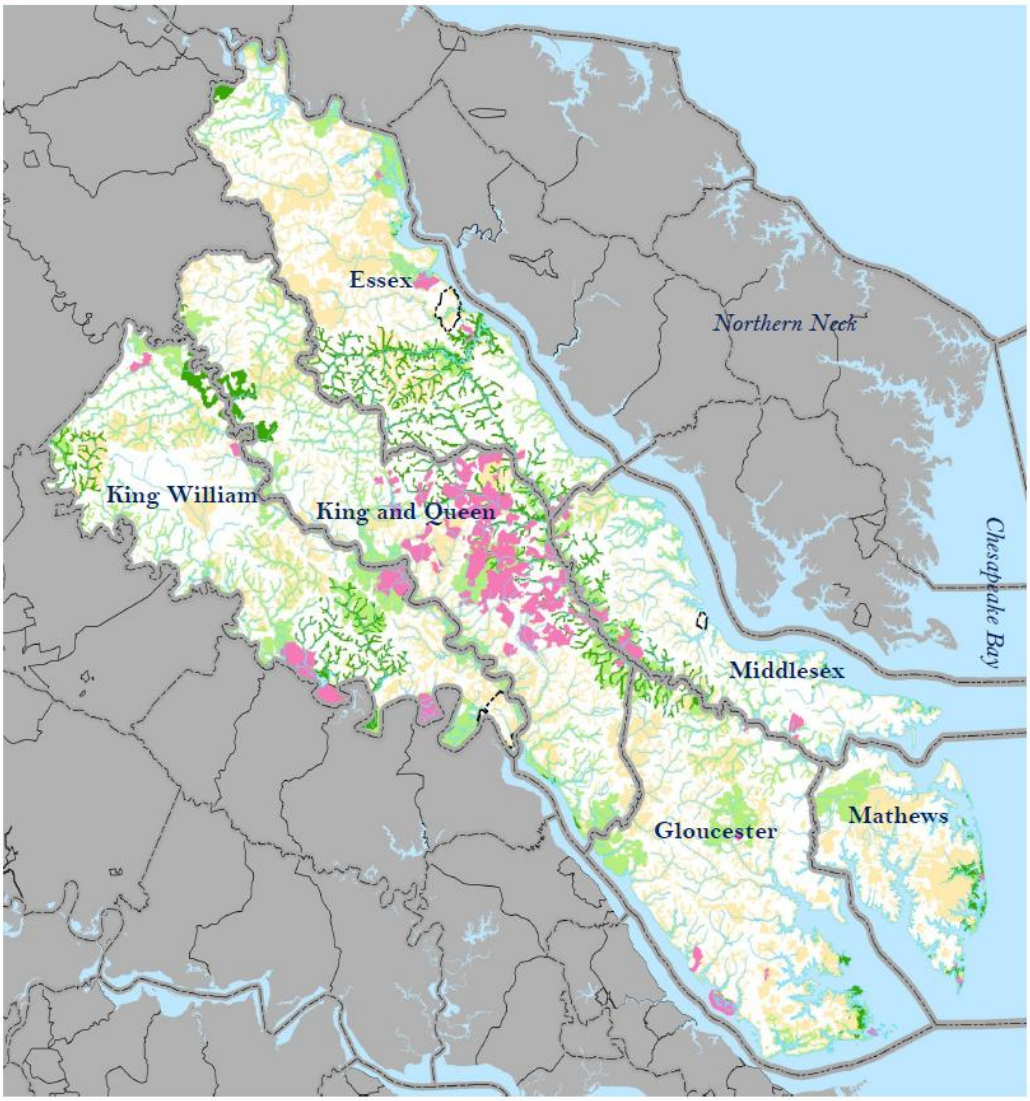
Virginia Coastal Zone Management Program

Middle Peninsula Planning District Commission

DCR Department of Conservation & Recreation

This map was funded in whole by the Virginia Coastal Zone Management Program at the Department of Environmental Quality rough Grant # NA09NOS4190163 Task 97.01 of the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, under the Coastal Zone Management Act of 1972, as amended. The views expressed are those of the author(s) and do not necessarily reflect the views of the U.S. Department of Commerce, NOAA, or any of its subagencies.

Priority Conservation Areas and Currently Protected Areas within the Middle Peninsula



Legend:

Ecological Significance

- High Significance
- Moderately High Significance
- Moderate Significance
- Low Significance
- Protected Areas (ie. Managed Lands and Lands with Conservation)

N
W E
S

0 5 10 20 Miles

Virginia Coastal Zone Management Program

Middle Peninsula Planning District Commission

DCR Department of Conservation & Recreation

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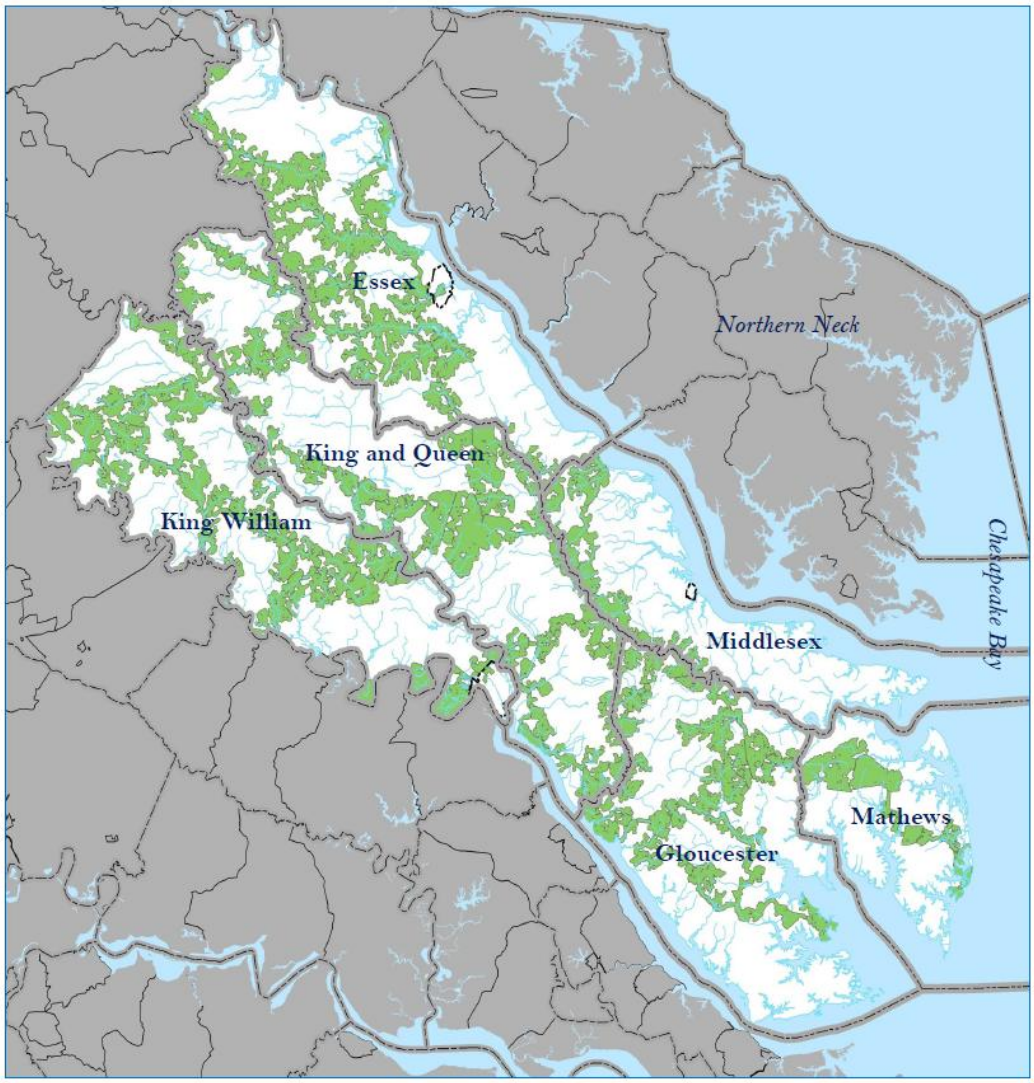
Department of Conservation and Recreation:
Virginia Natural Land Network: the Link between unfragmented natural habitats



Legend:

Network of Ecologically Significant Lands

N
W E
S

0 5 10 20 Miles

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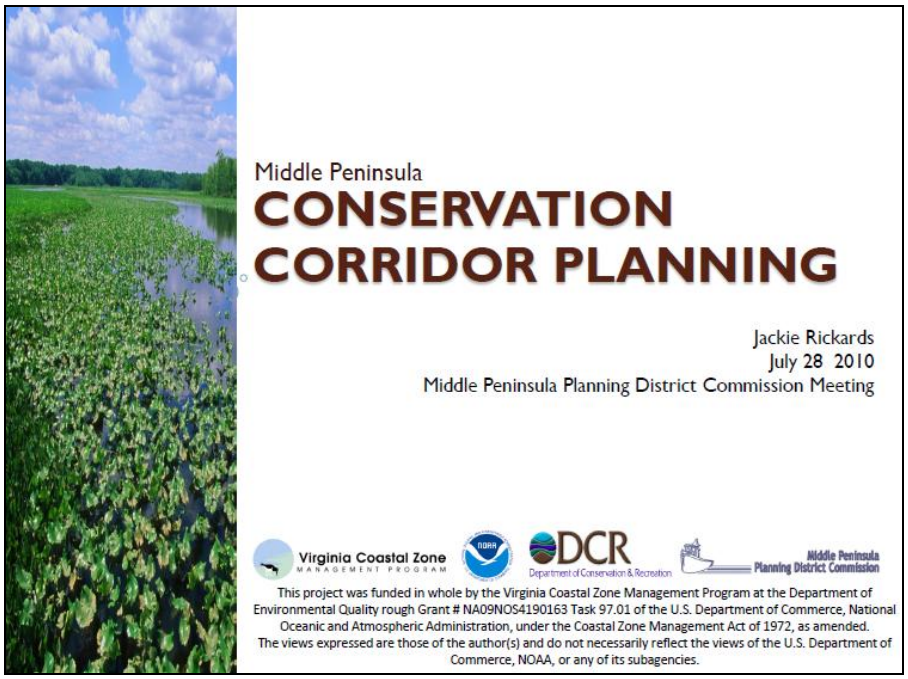
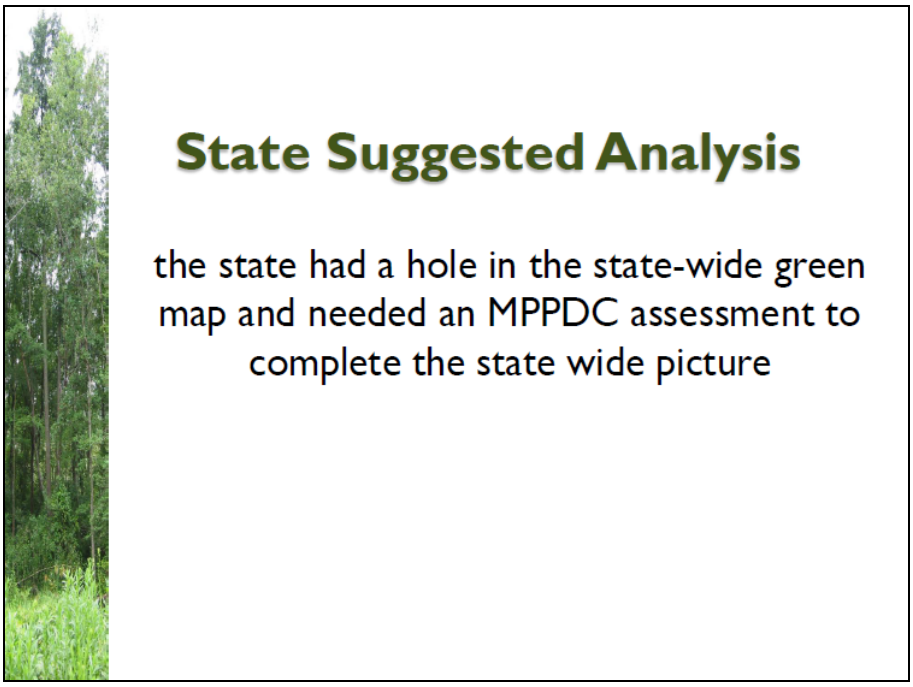
Appendix C:

First Meeting with Commission and the resolution passed to acknowledge the importance of blue and green infrastructure within the Middle Peninsula





Importance of Blue and Green Infrastructure in the Middle Peninsula

- VA CZM Program is coordinating and providing funding support for DGIF, DCR, VCU and the eight Coastal PDCs

- 1,300 sq miles of land area
- 85 sq. miles of water area
- totaling 888,000 acres of blue and green infrastructure

Importance of Blue and Green Infrastructure in the Middle Peninsula

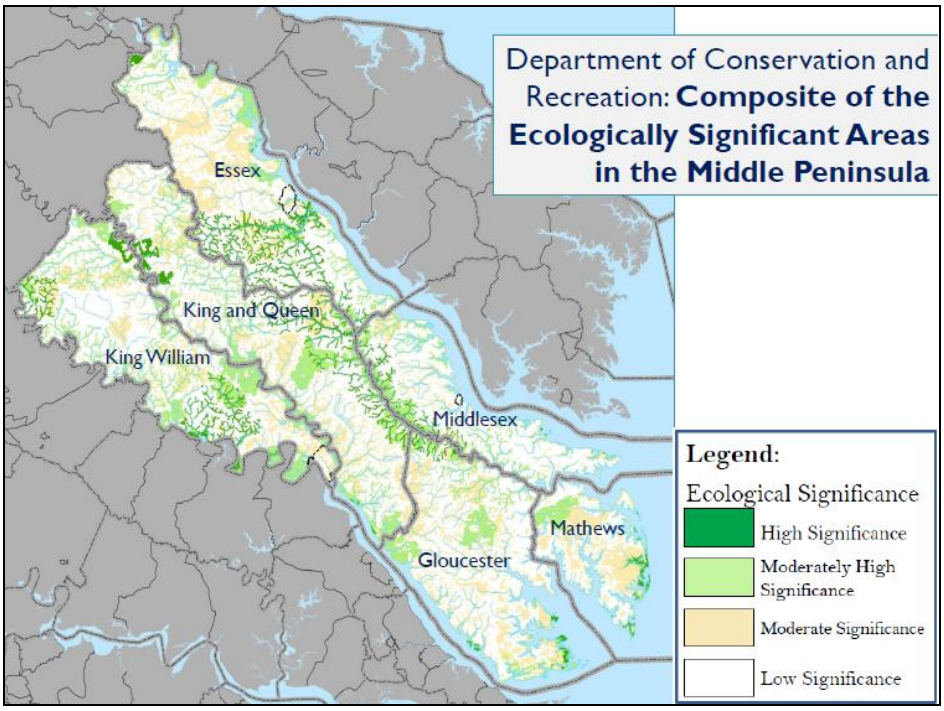
- blessed with some of Virginia's most highly-valued natural assets

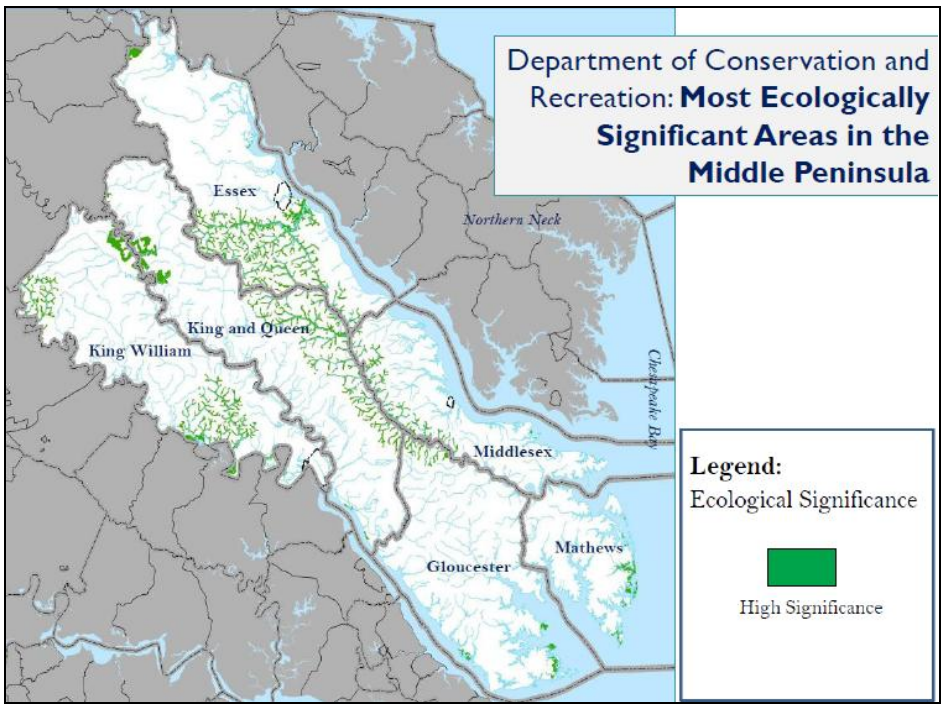
- Ecological Services -
  - Land: rich soils for forests and farming, habitat for wildlife, wetlands for drinking water storage and filtration
  - Water: anadromous fish use areas, oyster reefs, and underwater grass beds

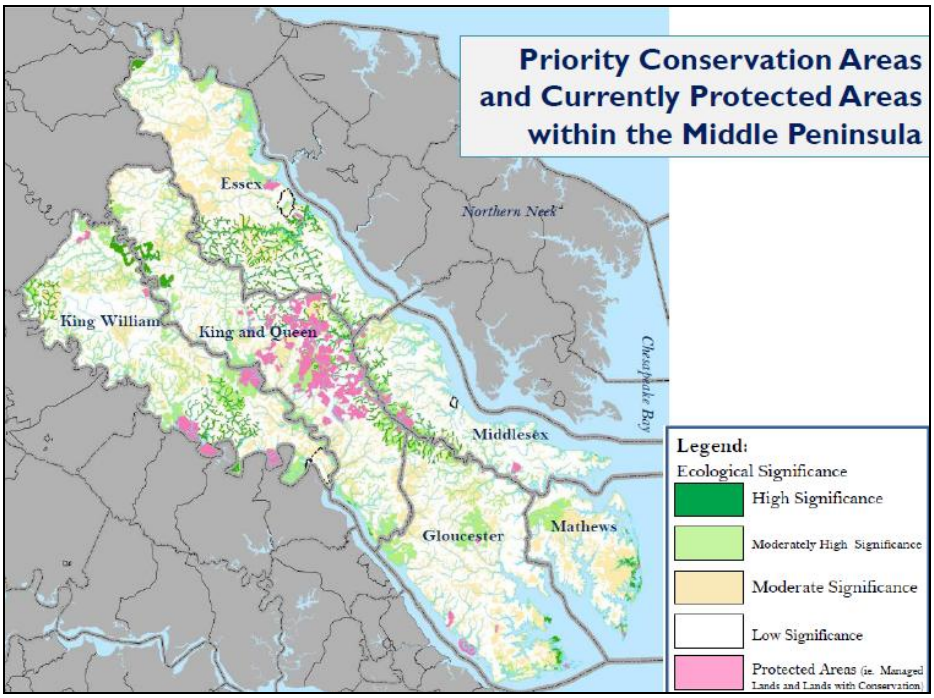
- **THEREFORE** staff has completed an inventory of "blue and green infrastructure" within the Middle Peninsula

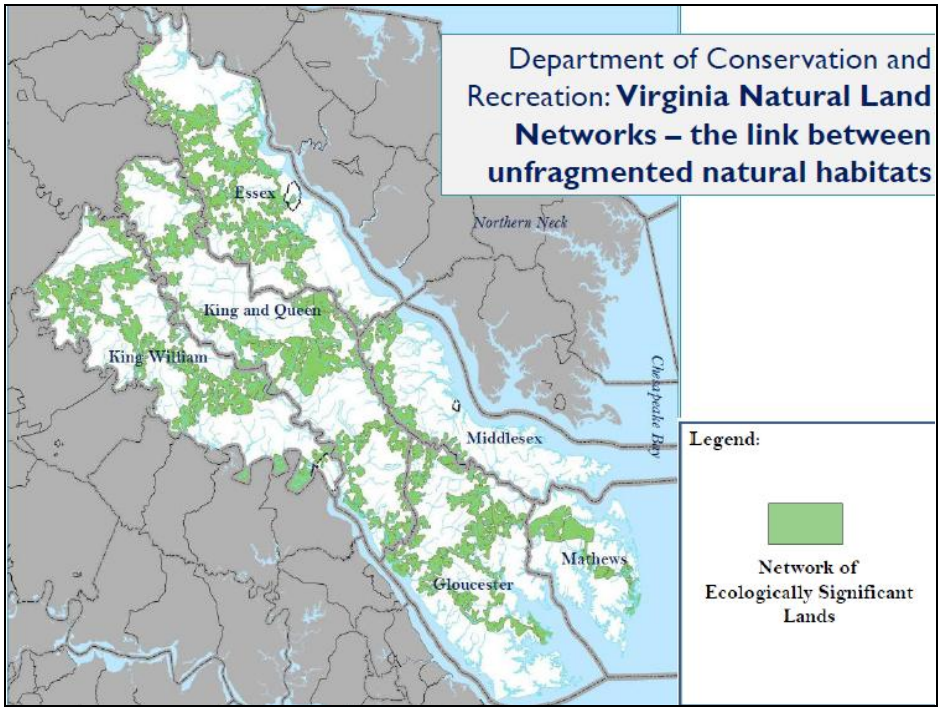
Middle Peninsula

REGIONAL MAPS


Department of Conservation and Recreation: Composite of the Ecologically Significant Areas in the Middle Peninsula
Essex
King and Queen
King William
Middlesex
Mathews
Gloucester
Legend:
Ecological Significance
High Significance
Moderately High Significance
Moderate Significance
Low Significance


Department of Conservation and Recreation: Most Ecologically Significant Areas in the Middle Peninsula
Essex
Northern Neck
King and Queen
King William
Chesapeake Bay
Middlesex
Mathews
Gloucester
Legend:
Ecological Significance
High Significance


Priority Conservation Areas and Currently Protected Areas within the Middle Peninsula
Essex
Northern Neck
King William
King and Queen
Chesapeake Bay
Middlesex
Gloucester
Mathews
Legend:
Ecological Significance
High Significance
Moderately High Significance
Moderate Significance
Low Significance
Protected Areas (ie. Managed Lands and Lands with Conservation)


Department of Conservation and Recreation: Virginia Natural Land Networks – the link between unfragmented natural habitats
Essex
Northern Neck
King and Queen
King William
Chesapeake Bay
Middlesex
Mathews
Gloucester
Legend:
Network of Ecologically Significant Lands

Action:

1. Recognize the benefits of managing "blue and green infrastructure" and
2. Each locality of the Middle Peninsula incorporate "blue and green infrastructure" management into the local planning process

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

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July 28, 2010

RESOLUTION ACKNOWLEDGING THE IMPORTANCE OF BLUE AND GREEN INFRASTRUCTURE WITHIN THE MIDDLE PENINSULA

WHEREAS, the Middle Peninsula has over 1,300 square miles of land area and 85 square miles of water area totaling 888,000 acres of blue and green infrastructure; and

WHEREAS, the Virginia Coastal Zone Management Program is coordinating and providing funding support for DGIF, DCR, VCU and the eight Coastal Planning District Commissions to identify and map the best remaining "blue and green" natural features within Virginia's coastal zone; and

WHEREAS, the Middle Peninsula Planning District Commission recognizes that the Middle Peninsula is blessed with some of Virginia's most highly-valued natural assets; and

WHEREAS, the Middle Peninsula Planning District Commission recognizes that the term "blue and green infrastructure" pertains to the connected natural systems that provide many critical functions such as rich soils for forests and farming, habitat for wildlife, wetlands for drinking water storage and filtration, and clean air, as well as anadromous fish use areas, oyster reefs, and underwater grass beds that are all critical to maintaining this ecosystem and for the maintenance of human health and sustained survival; now

THEREFORE, BE IT RESOLVED, by the Commission that staff has completed an inventory of "blue and green infrastructure" within the Middle Peninsula; and

BE IT FURTHER RESOLVED that the Commission recognizes the benefits of managing "blue and green infrastructure" and recommends that each locality of the Middle Peninsula incorporate "blue and green infrastructure" to inform the local planning process.

COPY TESTE

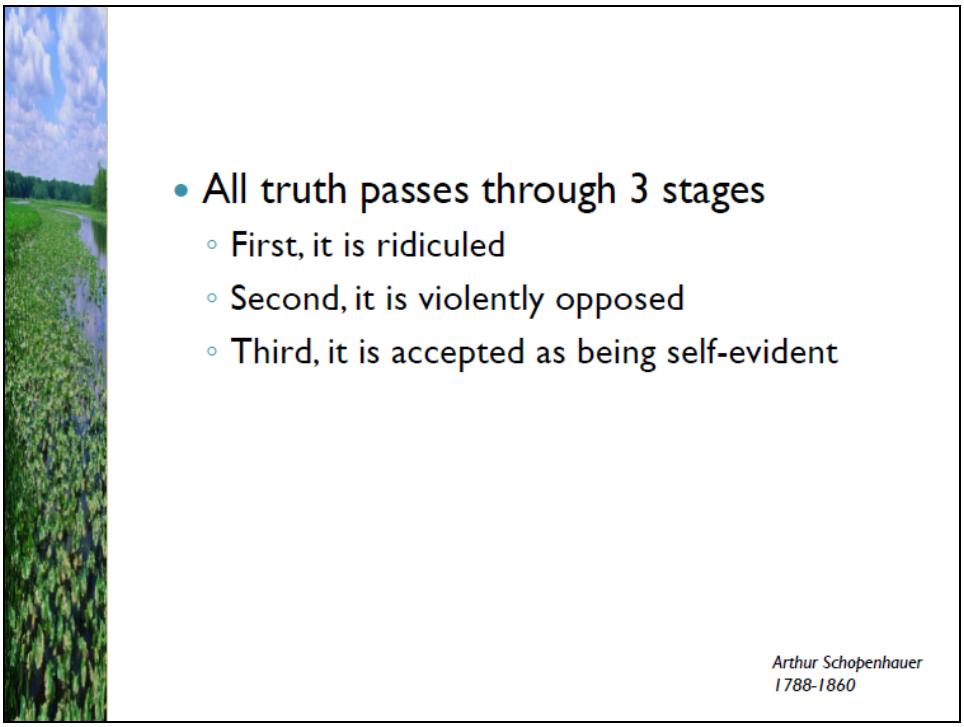
(Chairman)

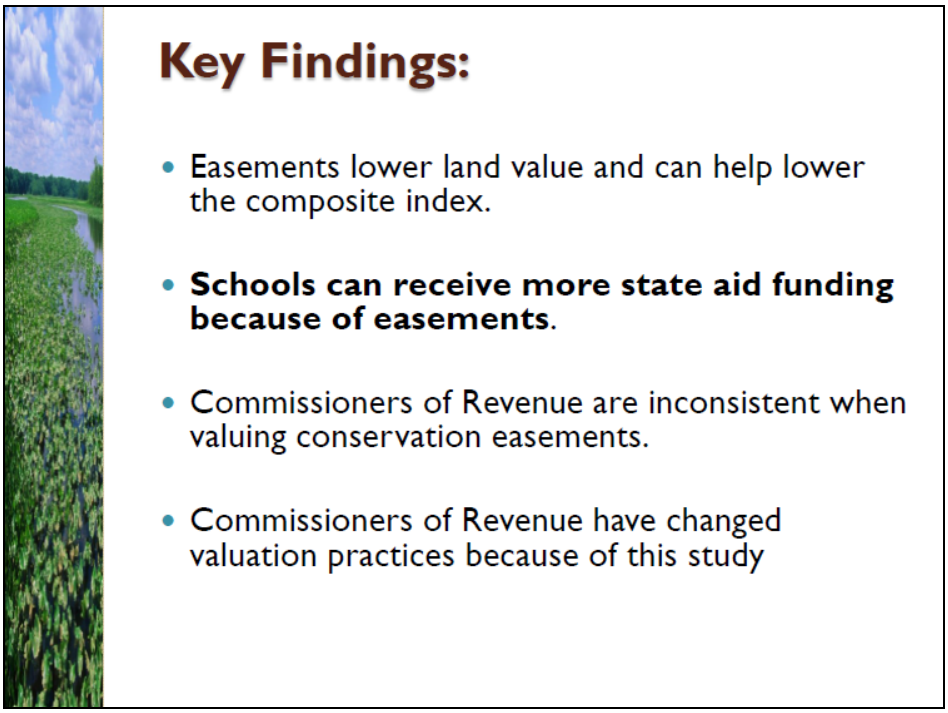
(Secretary)

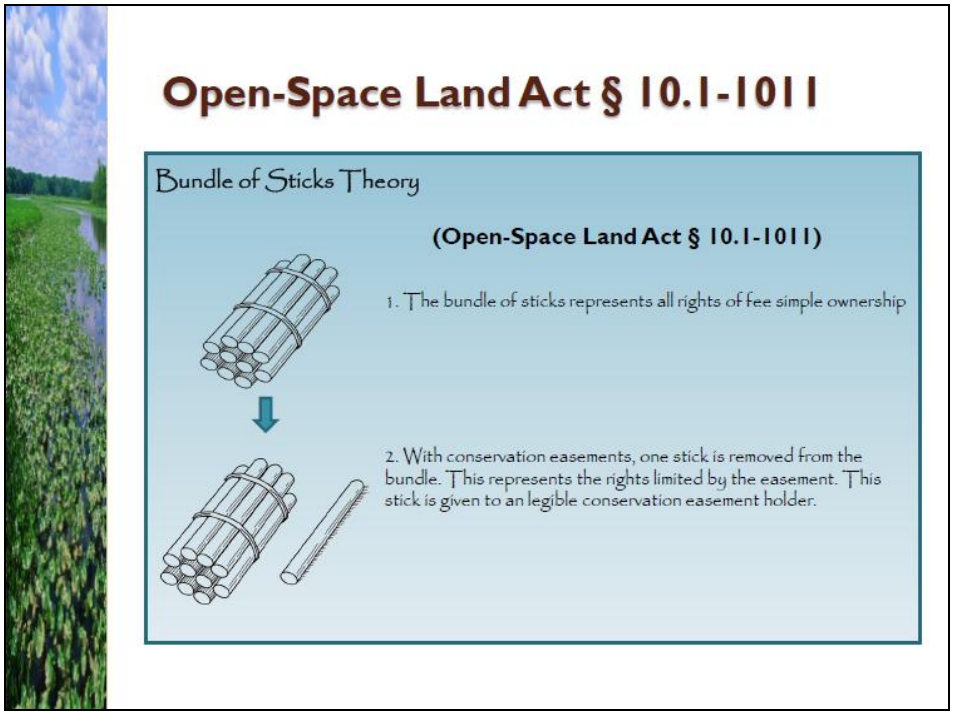
Appendix D:

Second Meeting with Commission – Conservation Easements: fiscal Impacts to localities in the Middle Peninsula

Please be aware that the numbers in the table on the last six slides may have changed through additional analysis



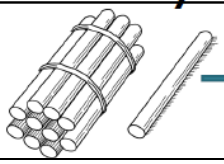

Key Findings:
Easements lower land value and can help lower the composite index.
Schools can receive more state aid funding because of easements.
Commissioners of Revenue are inconsistent when valuing conservation easements.
Commissioners of Revenue have changed valuation practices because of this study


Open-Space Land Act § 10.1-1011
Bundle of Sticks Theory
(Open-Space Land Act § 10.1-1011)
1. The bundle of sticks represents all rights of fee simple ownership
2. With conservation easements, one stick is removed from the bundle. This represents the rights limited by the easement. This stick is given to an legible conservation easement holder.

§ 10.1-1011

- *Assessments of the fee interest in land that is subject to a perpetual conservation easement held pursuant to this chapter or the Open-Space Land Act shall reflect the* ***reduction in the fair market value of the land that results from the inability of the owner of the fee to use such property for uses terminated by the easement.***

(Taxable Uses) ⟵



⟶ (Use terminated By easement)

Here is where we started!

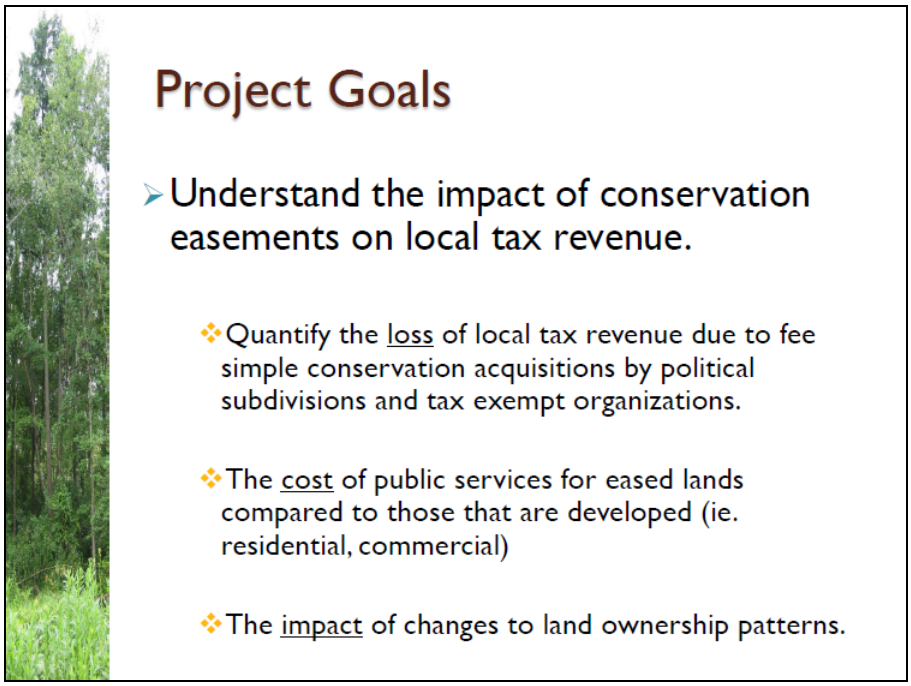
Quotes from a local officals

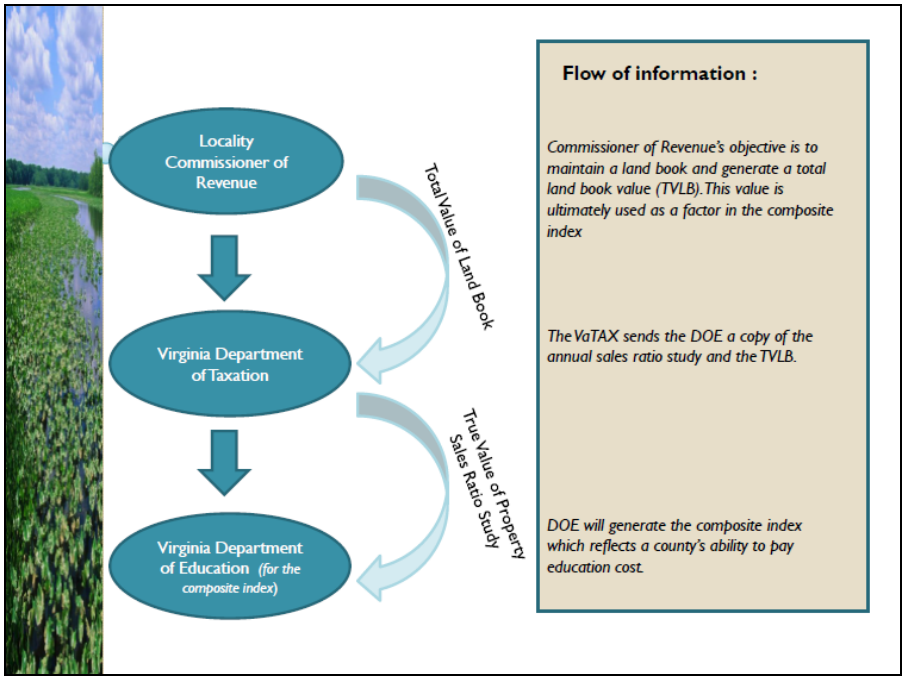
☑ ☒ "Land that is placed in a conservation easements is assessed at fair market value but taxed at a reduced value because these easements cannot be developed."

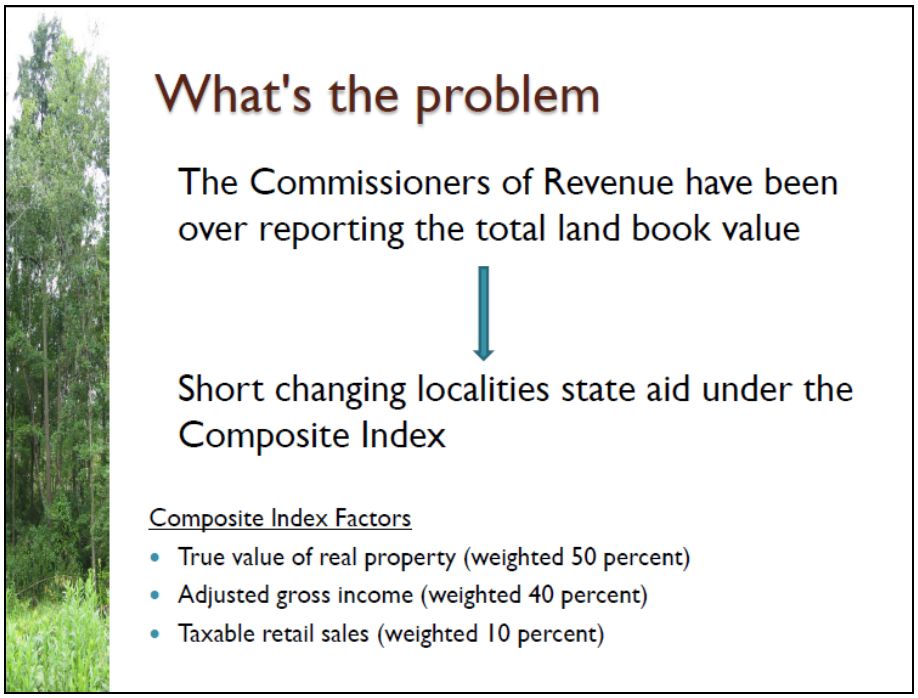
☑ "Officials want the **land use/reduced value figures to be used in computing a county's composite index—instead of using the fair market values**. Doing this would lower the composite index."

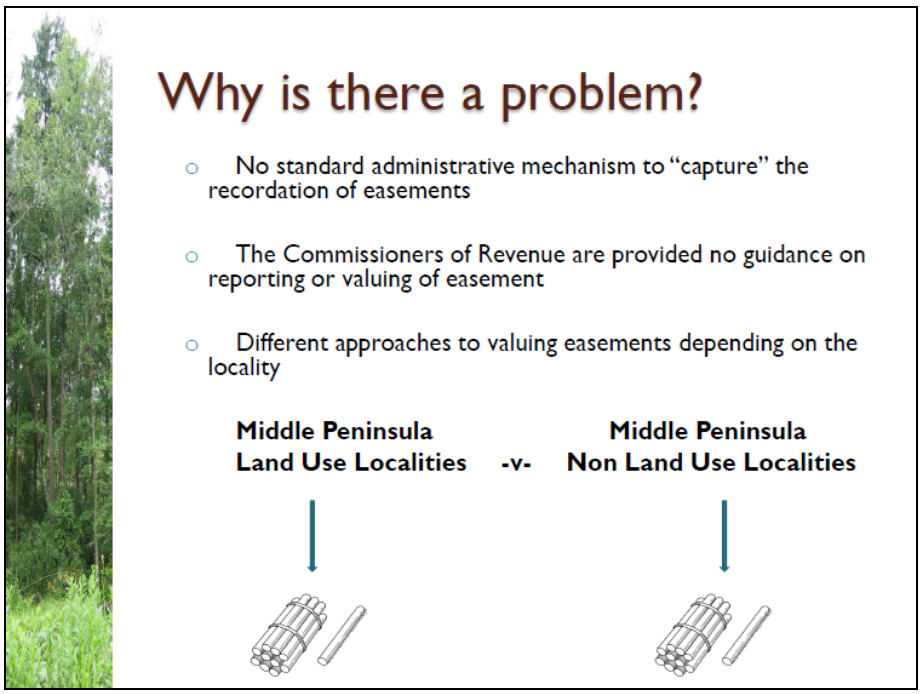
☒ **"Land that has received reduced taxable value because of its inclusion in conservation easement continues to be computed [in the composite index] at its fair market value instead of its reduced taxable value,"**

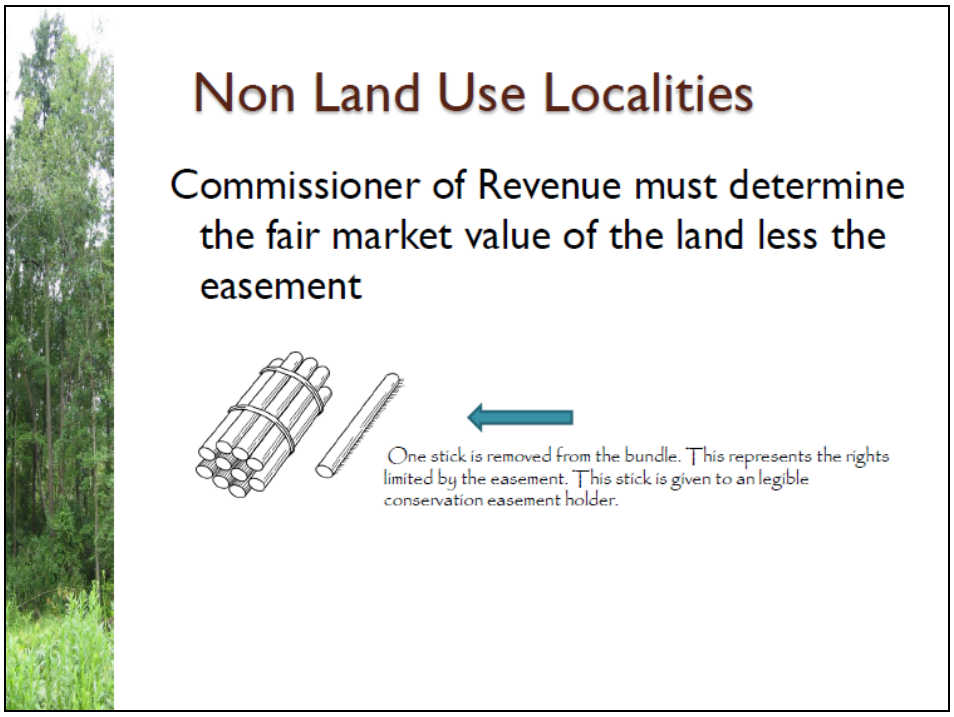
☑ **"While these changes may not make a significant difference in the composite index computations, it is the right thing to do with respect to computing the final values for each community"**

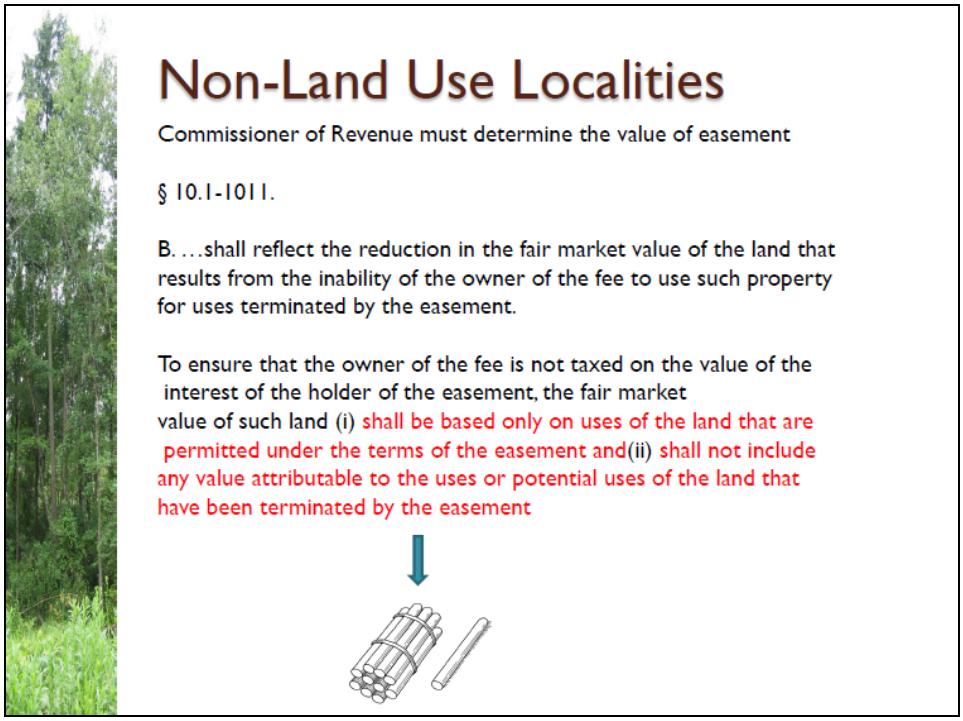

Project Goals
Understand the impact of conservation easements on local tax revenue.
Quantify the loss of local tax revenue due to fee simple conservation acquisitions by political subdivisions and tax exempt organizations.
The cost of public services for eased lands compared to those that are developed (ie. residential, commercial)
The impact of changes to land ownership patterns.

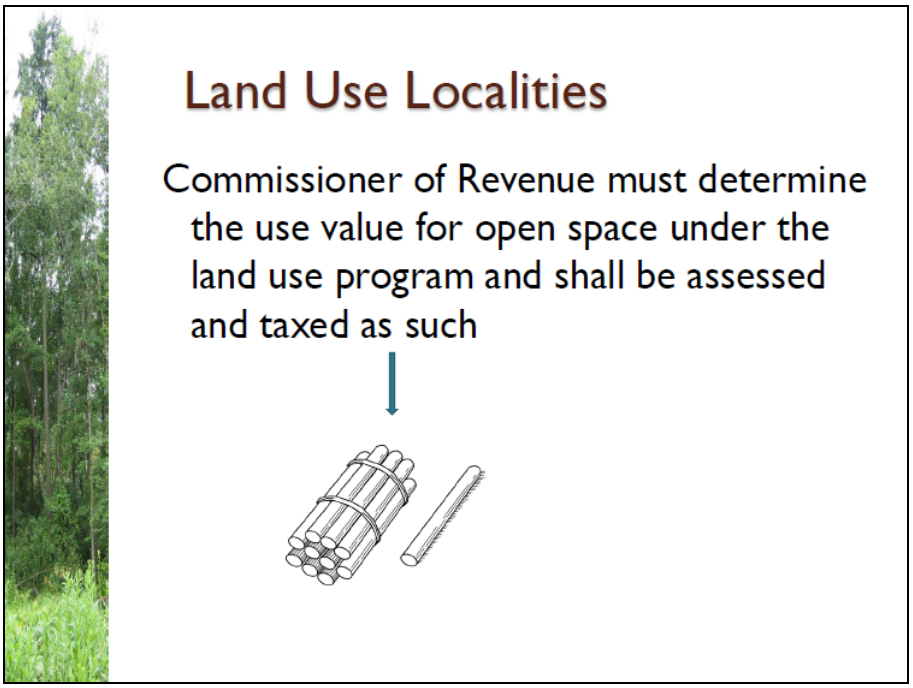

Locality Commissioner of Revenue
Virginia Department of Taxation
Virginia Department of Education (for the composite index)
Total Value of Land Book
True Value of Property Sales Ratio Study
Flow of information :
Commissioner of Revenue's objective is to maintain a land book and generate a total land book value (TVLB). This value is ultimately used as a factor in the composite index
The VaTAX sends the DOE a copy of the annual sales ratio study and the TVLB.
DOE will generate the composite index which reflects a county's ability to pay education cost.

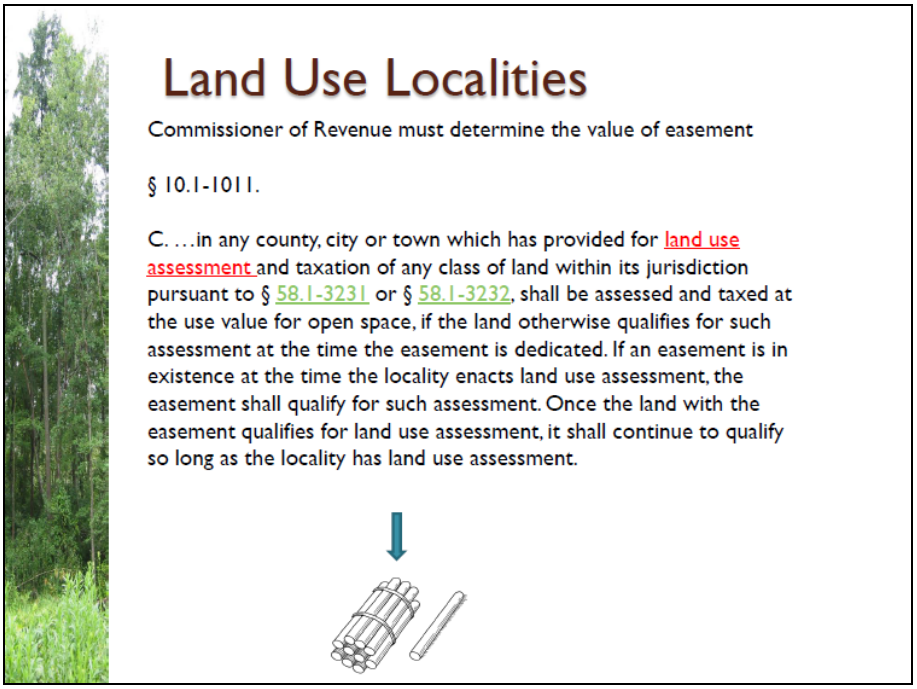

What's the problem
The Commissioners of Revenue have been over reporting the total land book value
Short changing localities state aid under the Composite Index
Composite Index Factors
True value of real property (weighted 50 percent)
Adjusted gross income (weighted 40 percent)
Taxable retail sales (weighted 10 percent)


Why is there a problem?
No standard administrative mechanism to "capture" the recordation of easements
The Commissioners of Revenue are provided no guidance on reporting or valuing of easement
Different approaches to valuing easements depending on the locality
Middle Peninsula Land Use Localities
-v-
Middle Peninsula Non Land Use Localities


Non Land Use Localities
Commissioner of Revenue must determine the fair market value of the land less the easement
One stick is removed from the bundle. This represents the rights limited by the easement. This stick is given to an legible conservation easement holder.


Non-Land Use Localities
Commissioner of Revenue must determine the value of easement
§ 10.1-1011.
B. …shall reflect the reduction in the fair market value of the land that results from the inability of the owner of the fee to use such property for uses terminated by the easement.
To ensure that the owner of the fee is not taxed on the value of the interest of the holder of the easement, the fair market value of such land (i) shall be based only on uses of the land that are permitted under the terms of the easement and(ii) shall not include any value attributable to the uses or potential uses of the land that have been terminated by the easement


Land Use Localities
Commissioner of Revenue must determine the use value for open space under the land use program and shall be assessed and taxed as such


Land Use Localities
Commissioner of Revenue must determine the value of easement
§ 10.1-1011.
C. …in any county, city or town which has provided for land use assessment and taxation of any class of land within its jurisdiction pursuant to § 58.1-3231 or § 58.1-3232, shall be assessed and taxed at the use value for open space, if the land otherwise qualifies for such assessment at the time the easement is dedicated. If an easement is in existence at the time the locality enacts land use assessment, the easement shall qualify for such assessment. Once the land with the easement qualifies for land use assessment, it shall continue to qualify so long as the locality has land use assessment.

What does all this mean

- For example
  - Essex over reported $18,000,000 in land book value attributable to easements
  - Appears the net gain to the composite index is estimated at $75,000
  - Better way for the Commissioners of Revenue receive and report conservation lands

Example

TLBV	Composite Index Score	State Aid K-12
Before		
$1.35 B	.4071	$4,729,951
After		
$1.32B	.4034	$4,729,951
		+ 75,000
		$4,804,951

The Results – Essex

Essex	
Acres under Conservation Easements	12,343.81
Acres held by Tax Exempt Conservation Entities	1,170.18
Acres Conserved Total	13,514.00
Devaluation due to Conservation Easements	$18,594,806
Devaluation due to Tax Exempt Conservation Land Holdings	$2,385,480
Total Devaluation	$20,980,286
Tax Revenue Loss due to Conservation Easements	$115,288
Tax Revenue Loss due to Tax Exempt Conservation Land Holdings	$14,790
Total Tax Revenue Loss	$130,078
Percentage of the County's Budget	0.44%

The Results – Gloucester

Gloucester	
Acres under Conservation Easements	1,010.02
Acres held by Tax Exempt Conservation Entities	3,114.95
Acres Conserved Total	4,124.97
Devaluation due to Conservation Easements	$5,587,222
Devaluation due to Tax Exempt Conservation Land Holdings	$2,893,000
Total Devaluation	$8,480,222
Tax Revenue Loss due to Conservation Easements	$32,406
Tax Revenue Loss due to Tax Exempt Conservation Land Holdings	$16,779
Total Tax Revenue Loss	$49,185
Percentage of the County's Budget	0.05%

The Results – King and Queen

King and Queen	
Acres under Conservation Easements	14,156.45
Acres held by Tax Exempt Conservation Entities	12,971.25
Acres Conserved Total	27,127.70
Devaluation due to Conservation Easements	$3,115,224
Devaluation due to Tax Exempt Conservation Land Holdings	$13,334,709
Total Devaluation	$16,449,933
Tax Revenue Loss due to Conservation Easements	$14,953
Tax Revenue Loss due to Tax Exempt Conservation Land Holdings	$64,007
Total Tax Revenue Loss	$78,960
Percentage of the County's Budget	0.39%

The Results – King William

King William	
Acres under Conservation Easements	6,729.3
Acres held by Tax Exempt Conservation Entities	2,630.09
Acres Conserved Total	9,359.39
Devaluation due to Conservation Easements	$7,394,152
Devaluation due to Tax Exempt Conservation Land Holdings	$6,604,942
Total Devaluation	$13,999,094
Tax Revenue Loss due to Conservation Easements	$59,893
Tax Revenue Loss due to Tax Exempt Conservation Land Holdings	$53,500
Total Tax Revenue Loss	$113,393
Percentage of the County's Budget	0.54%

The Results – Mathews

Mathews	
Acres under Conservation Easements	341.00
Acres held by Tax Exempt Conservation Entities	257.97
Acres Conserved Total	598.97
Devaluation due to Conservation Easements	$474,204
Devaluation due to Tax Exempt Conservation Land Holdings	$327,800
Total Devaluation	$802,004
Tax Revenue Loss due to Conservation Easements	$2,656
Tax Revenue Loss due to Tax Exempt Conservation Land Holdings	$1,836
Total Tax Revenue Loss	$4,491
Percentage of the County's Budget	0.02%

The Results – Middlesex

Middlesex	
Acres under Conservation Easements	4,291.00
Acres held by Tax Exempt Conservation Entities	521.00
Acres Conserved Total	4,812.00
Devaluation due to Conservation Easements	$10,793,682
Devaluation due to Tax Exempt Conservation Land Holdings	$1,550,832
Total Devaluation	$12,344,514
Tax Revenue Loss due to Conservation Easements	$37,778
Tax Revenue Loss due to Tax Exempt Conservation Land Holdings	$5,428
Total Tax Revenue Loss	$43,206
Percentage of the County's Budget	0.18%

Appendix E:

Conservation Easements - Fiscal Impacts to Localities in the Middle Peninsula REPORT

Conservation Easements: Fiscal Impacts to Localities in the Middle Peninsula

Middle Peninsula Planning District Commission

2010

While Conservation Easements and land holdings by tax-exempt entities and political subdivisions for conservation purposes support the protection of water quality, traditional uses (farming, forestry, etc), and preservation of rural character, there are unintended fiscal impacts to localities.

Conservation Easement Initiative:

PROJECT SNAPSHOT

Problems:

- How are properties with conservation easements assessed and taxed in the Middle Peninsula?
- How do conservation easements impact local tax revenues?
- How do fee simple acquisitions by political subdivisions and tax-exempt organizations impact local tax revenues?
- How does the cost of public services for eased lands compare to those that are developed (ie. residential, commercial)?
- What are the changes to land ownership patterns and what is their impact?

Key Findings:

1. The tax revenue impact of conservation easements is less than about 0.5% of any given Middle Peninsula locality's annual budget.
2. Easements lower land value and help the composite index.
3. Schools receive more state aid funding because of easements.
4. Commissioners of Revenue are inconsistent when addressing conservation easements.
5. Commissioners of Revenue have changed reporting practices because of this work.

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Report Abbreviations:
CBF – Chesapeake Bay Foundation
CoR – Commissioner of Revenue
DCR – Virginia Department of Conservation Recreation
DGIF – Virginia Department of Game and Inland Fisheries
DOF – Virginia Department of Forestry
FEMA – Federal Emergency Management Agency
FMV – Fair Market Value
FODR – Friends of Dragon Run
MPCBPAA – Middle Peninsula Chesapeake Bay Public Access Authority
MPLT – Middle Peninsula Land Trust
MPPDC – Middle Peninsula Planning District Commission
NOAA – National Ocean and Atmospheric Association
SLEAC – State Land Evaluation and Advisory Council
TNC – The Nature Conservancy
TVP – True Value of Property
TVLB – Total Value of Land Book
USFWS – United States Fish and Wildlife Service
VaTAX – Virginia Department of Taxation
VIMS – Virginia Institute of Marine Sciences
VDOE – Virginia Department of Education
VOF – Virginia Outdoors Foundation

This project was funded by the Virginia Coastal Zone Management Program at the Department of Environmental Quality through Grant FY2009 NA09NOS4190163 Task 97.01 and Task 95 of the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, under the Coastal Zone Management Act of 1972, as amended. The views expressed herein are those of the authors and do not necessarily reflect the views of the U.S. Department of Commerce, NOAA, or any of its sub-agencies.

I. Executive Summary

During the past several years the Dragon Run Steering Committee has recognized a conservation easement as a useful tool for private landowners to preserve rural character and promote natural resource-based economies, while protecting the natural resources that enable this way of life. As interest in conservation easements and conservation land holdings expanded in and around the Dragon Run Watershed, Middle Peninsula localities started to be concerned about intended tax revenue impacts and their effects on local economies.

As a result, Commissioners of the Middle Peninsula Planning District Commission (MPPDC) initiated a two-pronged project (Grant #NA09NOS4190163 Task 97.01 and Task 95) to address these issues. Officially kicking off the project in April 2010, Phase I of this project focused on gaining a quantitative understanding of the current fiscal impacts of conservation easements and conservation land holding by tax-exempt entities in Middle Peninsula localities. MPPDC staff met with the Commissioners of Revenue (CoR) from each County to discuss the methodology used to process conservation easements - from recordation of a conservation easement, to reducing the property's fair market value to reporting the total land book value the Virginia Department of Taxation (VaTAX).

In particular, MPPDC staff worked to understand county approaches to conservation easements, particularly as it relates to Virginia Tax Code requirements. Taking into consideration the differences between those counties that have adopted "land use assessment" and those localities that have not, **MPPDC staff found that each county could improve current approaches in handling conservation easements within their county that could provide fiscal benefits through the Composite Index, and therefore aid State received for education**. Through the accounting of all conservation easements and the consistent devaluing of the conservation easements within their jurisdiction, each county has an opportunity to improve current practices.

II. Introduction

Within the Middle Peninsula member localities pride themselves on their rural character and heritage, which has been fundamentally rooted in the region's open-space, agricultural lands and forests, as well as the region's waterways. However as populations migrate toward the coast to enjoy the amenities of a rural and coastal lifestyle, local governments begin to grapple with how to hold onto their rural character, while balancing growth, new public service costs, and therefore county budgets and revenues.

To articulate the county vision, specific to growth and development, the County's Comprehensive Plan provides general, long-range, policy, and implementation guidelines for decisions related to land use. Within the Middle Peninsula, each county's comprehensive plan has seemingly similar visions to preserve rural character through the preservation/conservation of open space, agricultural land, and forest land (Appendix 1). In recent years, and in congruence with County Comprehensive Plans, non-profit organizations (i.e. The Nature Conservancy and local land trusts), as well as political subdivisions have focused conservation efforts within the Middle Peninsula. These entities have accomplished their conservation goals through the utilization conservation easements and fee simple land ownership as tools to protect and conserve the natural, scenic, and historic resources of the region.

A conservation easement is a legal agreement made between a landowner (grantor) and a public body (grantee) that places restrictions on both the present and the future use

Chapter Focal Points:

- *All comprehensive plans of Counties in the Middle Peninsula focus on preservation of rural character through the conservation of open space, agricultural land and forest land, especially within the Dragon Run Watershed.*
- *Economic downturn has forced local budgets to tighten, therefore drawing attention to changes in land ownership patterns (ie. conservation easement and tax exempt land holdings) and their fiscal impacts.*
- *Conservation easements are a legally binding instrument to protect natural or open space, assuring its availability for agricultural, forestal, recreation, or open-space use*
- *Assessed value of a property is the taxed value. This is value is initially determined by a real estate assessor.*
- *Commissioner of Revenue's prime objective is to maintain a land book and generate a total land book value (TVLB). This value is ultimately used as a factor in the composite index.*

of a property. While capturing the rural quality of the region in perpetuity, conservation easements also offer tax incentives to property owners.

Conservation easements have been considered regional conservation successes and few questions arose with regard to the fiscal impacts of conservation easements. However, with the economic downturn in 2008, county budgets have tightened and fiscal resources have dwindled, while local government's responsibilities have remained the same or have expanded. Therefore, in February 2010 when The Nature Conservancy's (TNC) purchased 13,350 acres of forestland within the Dragon Run and Mattaponi watersheds and then immediately sold it to The Forestland Group subject to a permanent conservation easement on the property, local elected officials began to question the impacts of conservation easements to the county revenues.

To address these concerns, MPPDC staff conducted extensive research and worked closely with Middle Peninsula Commissioners of Revenue to gain an understanding of the following:

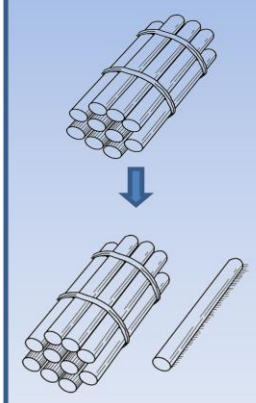
1. The impact of conservation easements on local tax revenue.
2. The loss of local tax revenue due to fee simple conservation acquisitions by political subdivisions and tax-exempt organizations.
3. The cost of public services for eased lands compared to those that are developed (ie. residential, commercial)
4. The impact of changes to land ownership patterns.

III. Property Ownership and Conservation Easements

In general there are two categories of property, (1) real property and (2) personal property. However, for the purpose of this report real property will be the focus. Thus real property may be defined as land, including the surface, whatever is attached to the surface such as buildings or trees, and whatever is beneath the surface, such as minerals, and the area above the surface.

Through ownership of real property, one gains a variety of inherent rights. To explain, ownership rights may be compared to a bundle of sticks (Figure 1). Each stick represents a distinct and separate right, which may be the right to sell, lease, subdivide, enter, or give away the property. If an individual or entity owns all rights to a parcel (ie. all the sticks) this is known as fee simple ownership. But with the discretion to choose to exercise more than one or none of these rights, a fee simple owner may voluntarily limit or restrict partial interests that are created by selling, leasing or transferring specific sticks from the bundle of rights. In the case of fee simple owners who have an interest in retaining

Figure 1: Bundle of Sticks Theory



1. The bundle of sticks represents all rights of fee simple ownership

2. With conservation easements, one stick is removed from the bundle. This represents the rights limited by the easement. This stick is given to an legible conservation easement holder.

Chapter Focal Points:

- *Fee simple property owners have rights, including the ability to voluntarily limit or restrict interests of the property.*
- *Conservation easements perpetually protect and conserve land*
- *Property owners enjoy the tax exempt status of a conservation easement*
- *The rights restricted by the conservation easements are voluntarily sold or transferred to a qualified conservation easement holder.*
- *The assessed value is the value that is taxed.*
- *The CoR's main objective is to maintain a land book to generate a total value of land book to report to the VaTAX.*
- *The VaTAX sends the DOE a copy of the annual sales ratio study and the TVLB which will be used in calculating the composite index which reflects a county's ability to pay education costs.*
- *Conserved lands lower the composite index*
- *The lower the composite index the more state aid is received for education*

or protecting natural or open space values of real property, assuring its availability for agricultural, forestal, recreation, or open-space use, protecting natural resources, maintaining or enhancing air or water quality, or preserving historical architectural or archaeological aspects of real property (VA Code §10.1-1009), conservation easements may be used as a tool to conserve their land in perpetuity. When a property owner chooses to place his/her land in a conservation easement, one stick from the bundle, particularly the right to subdivide and/or develop, is voluntarily sold or transferred to a qualified conservation easement holder (ie. political subdivision or eligible non-profit organization). As a conservation easement places encumbrances on a property, how is the property's fair market value impacted?

Property Assessment and Land Book and Impacts to the Composite Index

Assessment of real property throughout the Commonwealth is calculated at 100% of the fair market value as required by the Constitution of Virginia. Real estate assessors are hired by the counties, with the exception of Gloucester County which has an in-house assessment office, to establish a fair market value/assessment value each property (ie. improvements or buildings and the land or site). This assessed value is then the value that the county applies the tax levy to in order generate local tax revenues.

Real estate assessment values may increase or decrease due to a variety of reasons, including changes in economic conditions, structural changes or land rezoning as well as encumbrances on property, including those set by a conservation easement and a county's participation in the Virginia's Use Value Assessment Program. Yet, regardless of the factor contributing to the change in fair market/assessed value of the property, as a real estate record keeping tool and, in accordance with VA Code 58.1-3310, the Commissioner of Revenue (CoR) from each county is to maintain a land book that documents all fair market values of properties within their jurisdiction. As the premier objective, each county's CoR will generate a total value of land book (TVLB), which is the total of fair market values of all parcels within the county. Once the TVLB is calculated a completed land book is sent to the County's Treasurers Department as well as the Virginia Department of Taxation (VaTAX).

To fulfill agency missions, VaTAX will extract the TVLB value from each county's land book and send it to the Virginia Department of Education (VDOE) in conjunction with a copy of an annual sales ratio study. With this information VDOE will calculate the True Value of Property (TVP) that is needed to generate a composite index value for each county. The composite index determines a school division's ability to pay education costs based on the true value of property (weighted 50%), adjusted gross income (weighted 40%) and the taxable retail sales (weighted 10%) within the county. These three elements are computed per pupil and per capita for each school. The lower the composite index the more education State aid the county will receive.

Table 1: Regional Relevance –
Composite index: What does this mean?

Every two years a composite index value is calculated for each county. This value is ultimately the percentage that each county is expected to contribute to funding the cost of education within their county. Below are a list of the Middle Peninsula Counties and their associated composite index for 2008-2010.

County	Composite Index	Percentage that County is to spend of their education costs
Essex	.4071	40.71%
King William	.2918	29.18%
King & Queen	.3868	38.68%
Gloucester	.3456	34.56%
Mathews	.5337	53.37%
Middlesex	.6777	67.77%

As the fair market values of properties within the Middle Peninsula are reduced due to conservation easements, the county's total land book value reported to the VaTAX is also reduced. This reduction will thereby decrease the composite index. **To take advantage of the composite index benefits, the Commissioners of Revenue need to report the total fair market value of all properties, including the reduced assessed value of lands with conservation easements.** If the CoR does not report the total land book value in a way that accounts for the reduced fair market value of lands with conservation easements, then this will not be beneficial to the composite index score; and therefore will ultimately decrease the amount of State aid for education.

It is also important to mention that although Virginia Tax Code dictates that the

property under easement shall reflect a reduction in fair market value of the land that results from the inability of the owner to use the property for uses terminated by the easement, the market demand is ultimately what drives the value in the property In other words, although the value of the right(s) given up is reduced, the value of the parcel itself may decrease, stay the same, or increase depending on the demand of the market.

IV. Land Use Counties vs. Non-land Use Counties

As a legally binding instrument that restricts the actions of present and future landowners, conservation easements may be considered an encumbrance on the property. Thus, in accordance with Virginia State Tax Code § 10.1-1011 (Appendix 3), a property owner is to enjoy the tax-exempt status of a conservation easement. **Consequently the property shall reflect a reduction in fair market value of the land that results from the inability of the owner to use the property for uses terminated by the easement.** A county's participation within the Virginia Use Value Assessment Program will determine the approach to reducing in fair market value of properties under conservation easement.

Land Use Counties

Within the Commonwealth of Virginia each county has the option to adopt a land use program. This program supports the assessment and taxation of agriculture, horticulture, forest and /or open-space lands based on its use value, or the value for what the land produces, instead of the market value. To determine land use rates, the State Land Evaluation and Advisory Council (SLEAC) estimates the use value of eligible lands for each jurisdiction participating in the land use program. The SLEAC contracts annually with the Department of Agricultural and Applied Economics at Virginia Tech to develop an objective methodology for estimating the use value of land in *agricultural and horticultural uses*, with the Virginia Department of Forestry (DOF) for the use value of land in *forestry*, and with the Department of Conservation

Chapter Focal Points:

- *Virginia's Use Value Assessment Program is voluntary for counties to supports the assessment of agriculture, horticulture, forest and/or open space lands based on its use value, which is below the regular assessed value.*
- *Gloucester, Middlesex, King William and Essex Counties have adopted the land use program.*
- *According to the Virginia Use Value Assessment Program properties in the program will be taxed upon the use value, yet the CoR cannot report this reduced value in the land book.*
- *VA Tax Code 10.1-1011 requires that properties with conservation easements in land use counties are taxed and assessed with the county's land use value.*
- *However, because the easement is perpetual in nature, the CoR should report this reduced value as the value of the easement in the land book.*
- *Once a reduction in value is given to an eased property, the total value of land books in non-land use counties inherently reflect this reduction*

and Recreation (DCR) for the use value of land in *open space.* Although the SLEAC values are distributed to each county, these values do not have be used by the county. Hence a county may consider the SLEAC values, but in accordance with VA Code 58.1 -3236, the CoR or duly appointed assessor shall ultimately determine the land use rates for the county (ie. agricultural, horticultural, forestal or open space).

Counties within the Middle Peninsula that currently participate in the Land Use program include Essex, King William, Middlesex, and Gloucester. Of these counties only the Gloucester County CoR utilizes the SLEAC land use rates. In Essex and Middlesex County the CoRs use SLEAC numbers as guidance, but adjust values based on a neighborhood approach to calculate a county specific land use rate. On the contrary, King William utilizes a "budget plug" approach to generate land use rates. In other words, King William will close the county's budget gap by adjusting the land use rates as needed.

Although the land use program allows agricultural, horticultural, forestal and/or open space to be **taxed** upon the land's *use* value, this value cannot be reported by the CoR in the land book. Since VaTAX considers the land use program as voluntary and revocable at any time, the CoR must report the full assessed value/fair market value of the property in the land book to generate the total land book value (TLBV) which is then sent to VaTAX (Figure 2- Scenario #1). In conjunction with being considered a voluntary and revocable program, the CoR from land use counties do not consider the reduction of the collected taxed revenues a loss, but rather a tax deferral.

Within land use counties, and according to VA Code 10.1-1011, land subject to a perpetual conservation or open-space easements **shall be assessed and taxed** at its open space use value in jurisdictions that have adopted the land use program. Therefore, since conservation easements are perpetual, not only is the land taxed at a reduced land use value, but the CoR is to report this reduced use value in the land book (Figure 1- Scenario #2).**Consequently, by reporting a lower fair market value to the VaTAX for lands with conservation easements, the composite index should be lowered and the county should receive more State aid toward education.** Furthermore, CoR will consider the reduced taxes due to the devaluation of the fair market value based on a conservation easement as a permanent loss to the county rather than a deferral.

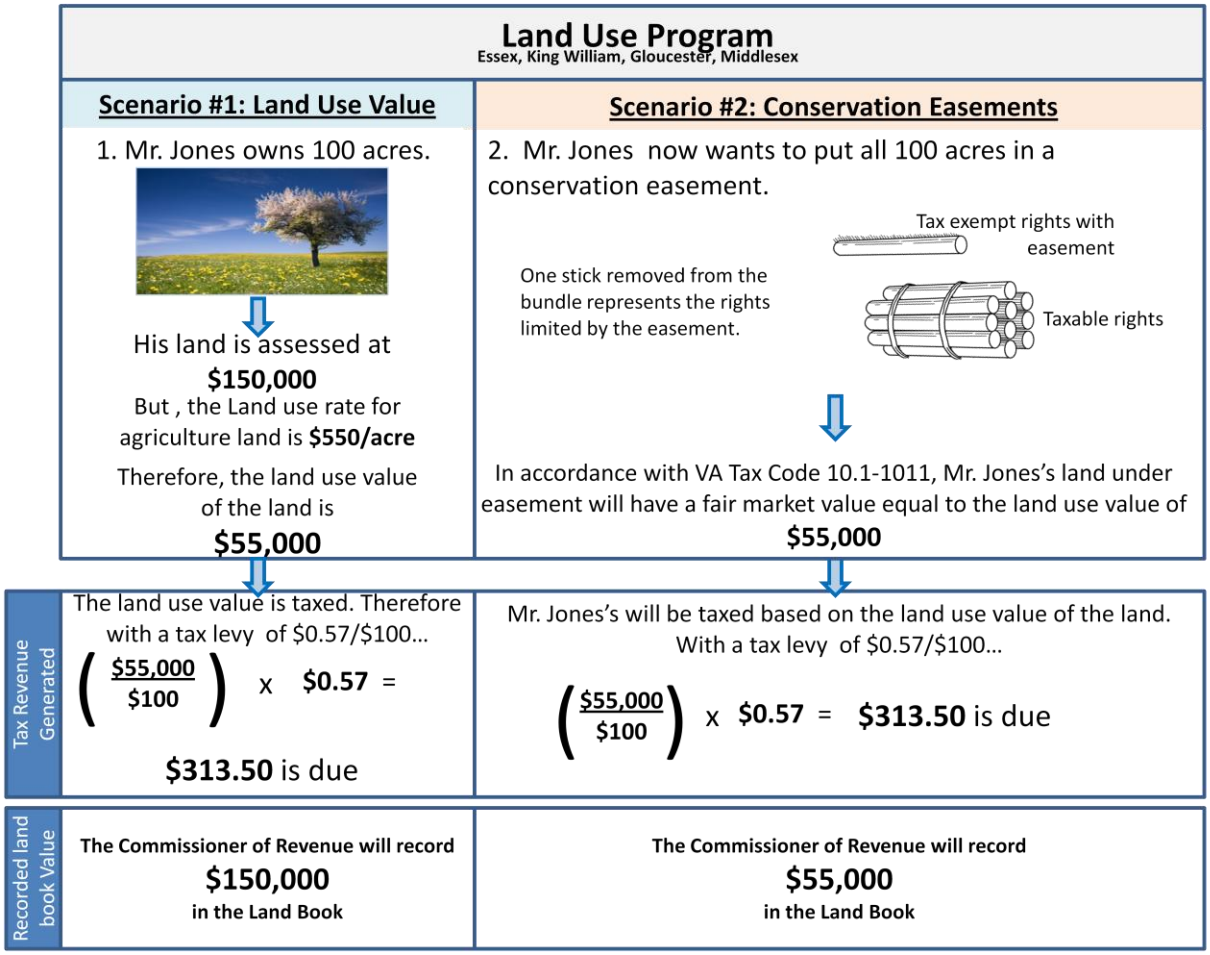


Figure 2: Scenarios within land use counties that attribute to local taxation and conservation easements.

Non-Land Use Counties

Unlike land use counties, there is no legislation that prescribes how an eased property within a non-land use county should be devalued. Yet, according to Virginia State Tax Code § 10.1-1011 (Appendix 3):

> *Assessments of the fee interest in land that is subject to a perpetual conservation easement held pursuant to this chapter or the Open-Space Land Act shall reflect the* ***reduction in the fair market value*** *of the land that results from the inability of the owner of the fee to use such property for uses terminated by the easement.*

In other words the fair market value of the property will be reduced due to uses terminated by the easement. Thus, in non-land use counties the reduced value of a

property with a conservation easement may be determined by a qualified assessor, who establishes a "before value & after value", while the 'remainder value' is the value usually accepted by the locale as the assessed value. If that does not occur, then the assessor, if there is one, would establish a fair market value as permitted and the CoR would then have the final word as to the fair market value (Figure 3: Scenario #2).

Due to the perpetual nature of a conservation easement the taxes lost due to this transaction will be a permament loss to the county. However the reduced fair market value of the property due to the conservation easement will lower the county's TLBV and therefore the composite index.

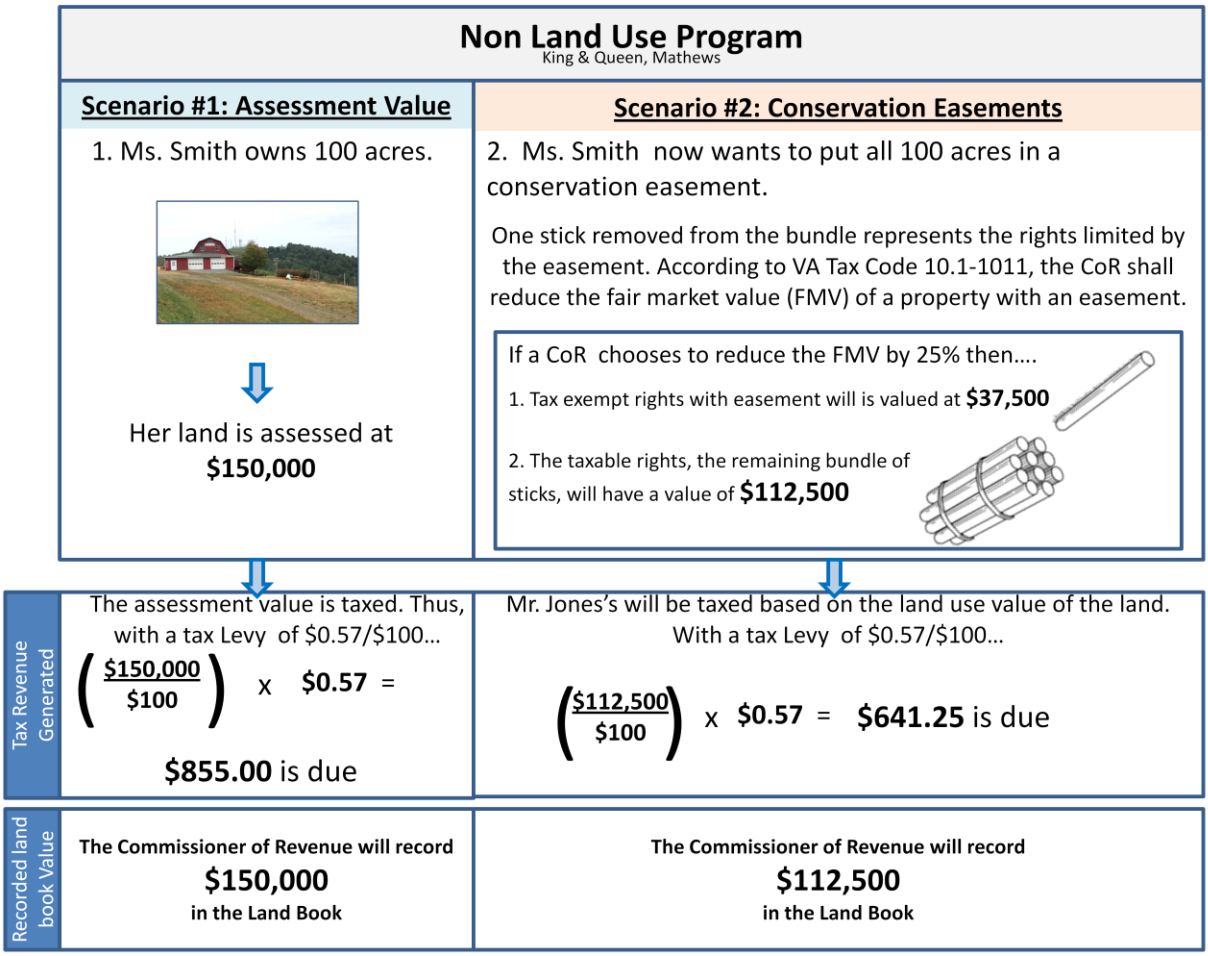


Figure 3: Scenarios within non land use counties that attribute to local taxation and conservation easements.

V. Analysis of Conservation Easements and Tax-exempt Land holdings in the Region

In April 2010, MPPDC staff began to work closely with the Commissioners of Revenue from each county within the Middle Peninsula to understand the fiscal impacts of conservation easements as well as fee simple land holdings by tax-exempt entities in the counties. Specifically, the CoRs helped to generate a list of properties which are under conservation easement or owned by tax-exempt organizations for conservation purposes. In addition to the list of parcels provided by the CoR, MPPDC staff researched grantee public records to identify additional parcels that are held by eligible conservation easement holders, including The Nature Conservancy (TNC), Virginia Outdoors Foundation (VOF), Middle Peninsula Land Trust (MPLT), Friends of Dragon Run (FODR), Virginia Department of Forestry (DOF), Chesapeake Bay Foundation (CBF), Natural Resources Conservation Service (NRCS), Virginia Department of Game and Inland Fisheries (DGIF), as well as U.S. Fish and Wildlife Services (USFWS). Finally MPPDC staff consulted with conservation easement holders (ie. TNC and VOF) and Virginia Department of Conservation and Recreation (DCR) to obtain lists of land holdings to verify research and information gathered from each CoR.

MPPDC staff also used public records to identify parcels owned by tax-exempt entities for conservation purposes. Within the Middle Peninsula, MPPDC staff focused on fee simple ownership by federal, state, and local political subdivisions (ie. USFWS, DOF, DCR, DGIF, Middle Peninsula Chesapeake Bay Public Access Authority), educational institutions (ie. VIMS), and non-profit organizations (ie. TNC). *Tax-exempt legislation may be found in Appendix 4 &5.*

The remainder of this chapter will review how each county in the Middle Peninsula considers conservation easements. From recordation, to property devaluation, to the property value reported to the VaTAX, MPPDC staff will share information gathered from each county – right, wrong, or indifferent this is the information that is known.

A. Middlesex County

Upon recordation of a conservation easement in Middlesex County, an attorney or landowner will enter the clerk's office with prepared easement documents. The clerk will scan all documents provided into the County's computer database. The attorney/landowner will then pay a recordation fee, however tax-exempt entities (ie. political subdivisions, TNC, VIMS, etc) do not pay a recordation fee. Once the recordation fee is paid, then the attorney/ landowner will receive a receipt for the transaction. The information and documents scanned into the computer will appear on the monthly land transaction sheet generated by the clerk for the CoR to review.

On the transaction sheet conservation easements are currently not flagged for special consideration by the CoR. However, along with the transaction sheet, the Middlesex CoR will receive copies of the deed and plat. According to the CoR, properties with conservation easements are automatically entered into the land use program and devalued based upon the land use program rates adopted by the County during the review of the transaction sheet. Yet, this reduced value and new tax liability will not become effective until the following January 1st. However, the landowner is informed of this change in tax liability through a validation process. In other words, an application will be filled out with the available deed information and will be sent to the landowner to make appropriate changes. The landowner is then asked to sign the application and return the completed application to the CoR.

Once all monthly land transactions are reviewed, the CoR will file the copies of the conservation easement records

Chapter Focal Points:

- *Middlesex is a land use county.*
- *CoR becomes aware of a conservation easement during the monthly review of the transaction sheet from the clerk.*
- *Devaluation of fair market value of properties with conservation easements has been inconsistent.*
- *Middlesex has approximately 4,291acres of land with conservation easements equivalent to $37,778 in total lost tax revenue.*
- *Middlesex can change the process by which they report the TVLB to increase the amount of state aid for education. Currently the CoR working to make appropriate adjustments.*
- *Middlesex has approximately 521 acres of parcels owned by tax exempt entities which equates to $5,428 in total lost tax revenue.*
- *Middlesex has a total of 4,812 acres of conserved lands which equates to a loss of approximately $43,206 in tax revenues. This represents 0.18% of the county's budget for 2009-2010.*

into a cabinet dedicated to land use. While Middlesex County has two databases for property records, following the review of a monthly transaction sheet the CoR will update one of the property databases with changes to the property value. Currently, the two databases are separate and are unable to be used together. Also the current databases do not have a query to identify conservation easements, however the CoR is planning to complete this task in the near future.

Local Findings

As a land use county, the Middlesex County CoR is to tax and assess eased lands based upon the use value of the property, as well as report the reduced value of land with the conservation easement to VaTax – according to tax code. Currently, however, this is not the case. Though taxed at the reduced value, the CoR reports the total fair market value in the total value of landbook rather than the reduced value due to the conservation easement. Therefore it can be said that the CoR treats lands with conservation easements identical to properties in land use. As a result this directly increases the TVLB, the composite index, and ultimately reduces State aid for education to the County.

In addition to reporting the improper value to the VaTAX, MPPDC staff also found that the approach to devaluing conservation easements in Middlesex County is inconsistent. The CoR is working to correct inconsistencies.

Consequently it was found that Middlesex County has approximately **4,291 acres** of land with conservation easements, and in using the current fair market value devaluation methods, Middlesex County is **losing approximately $37,778 in tax revenue due to easements**.

In conjunction with assessing the fiscal impacts of conservation easements, MPPDC staff also considered the fiscal impacts of fee simple land ownership by tax-exempt organizations for conservation purposes. With approximately **521 acres** of land in the county owned by tax-exempt organizations, this equates to approximately **$5,428 loss of tax revenue**.

Therefore when conservation easements and lands owned by tax-exempt organization are looked at together, the county consists of approximately **4,812 acres of conserved lands** which equates to a **loss of approximately $43,206 in total tax revenues** annually. This represents **only 0.18%** of the county's $24,183,505 budget for 2009-2010.

Quantitative Summary of results from Middlesex County

This provides a summary of the county's recognition of conservation easements as well as tax-exempt conservation land holdings and their fiscal impacts to the county.

Acres under Conservation Easements	4,291.00
Acres held by Tax-exempt Conservation Entities	521.00
Acres Conserved Total	4,812.00
Devaluation due to Conservation Easements	$10,793,682
Devaluation due to Tax-exempt Conservation Land Holdings	$1,550,832
Total Devaluation	$12,344,514
Tax Revenue Loss due to Conservation Easements	$37,778
Tax Revenue Loss due to Tax-exempt Conservation Land Holdings	$5,428
Total Tax Revenue Loss	$43,206
Percentage of the County's Budget	**0.18%**

B. Gloucester County

Upon recordation of a conservation easement within the Gloucester County, an attorney or the landowner will go to the clerk's office with prepared easement papers. The clerk will then scan all documents, including the easement and plat provided into the county's computer system. Once the documents are scanned, the easement documents will be stamped with an instrument number and the date of recordation. Once the recordation fee is paid (tax-exempt entities do not pay this fee), the attorney/landowner will receive a receipt for the transaction. This transaction will then appear on the monthly transaction sheet generated by the clerk's office which is sent to the CoR for further review. On the transaction sheet conservation easements are not flagged by the clerk for special consideration by the CoR.

Through conversations with the Gloucester County CoR, to-date, conservation easements are not accounted for. They are treated as any other land. Also according to the Gloucester County's Real Estate Assessment Department properties with conservation easements are not assessed differently.

Therefore to gather information with regards to conservation easements and fee simple land holding by tax-exempt entities in Gloucester County, MPPDC staff utilized the County's records office as well as the Department of Conservation and Recreation (DCR) and other easement holder data.

Chapter Focal Points:

- *Gloucester is a land use county.*
- *CoR does not currently track or account for conservation easements within the county.*
- *Gloucester County Real Estate Assessment Department does not currently assess property with conservation easements differently.*
- *According to DCR there are approximately 1028.961 acres of conservation easements within the County. If accounted for the County may loss approximately $32,406 in tax revenues*
- *Gloucester has approximately 3,114.95 acres of land owned by tax exempt entities for the purposes of conservation. This equates to approximately $16,779 of lost tax revenue.*
- *Gloucester consists of approximately 4,124.97 acres of conserved lands which equates to a loss of $49,185 in total tax revenues annually. This represents 0.0005% of the county's budget for 2009-2010.*
- *Gloucester will benefit in composite index if the CoR/assessor devalues the fair market value of land s with conservation easements.*

Local Findings

It was found that Gloucester County has approximately **1,010.02 acres** of land with conservation easements, and in using their current land use rates for lands, Gloucester County would **lose approximately $32,406 in tax revenue due to easements.** Keep in mind, that Gloucester County is not currently seeing fiscal impacts due to conservation easements since the fair market value of lands with conservation easements are not being reducing. **This suggests that with a change Gloucester's approach to accounting for conservation easements within the County, and therefore becoming compliant with VaTAX code, Gloucester will see an increase in the total tax revenue loss, but will most likely benefit in the composite index due to a reduction of fair market value.**

In conjunction with assessing the fiscal impacts of conservation easements, MPPDC staff also considered the fiscal impacts of fee simple land ownership by tax-exempt organizations for conservation purposes. With approximately **3,114.95 acres** of land in the county owned by tax-exempt organizations, this equates to approximately a **$16,779 loss of tax revenue.**

Therefore when conservation easements and lands owned by tax-exempt organization are looked at together, the county consists of approximately **4,124.97** acres of conserved lands which equates to a **loss of approximately $49,185 in total tax revenues** annually. This represents **only 0.0005%** of the county's **$107,165,062** budget for 2009-2010.

Quantitative Summary of results from Gloucester County

This provides a summary of the county's recognition of conservation easements as well as tax-exempt conservation land holdings and their fiscal impacts to the county.

Acres under Conservation Easements	1,010.02
Acres held by Tax-exempt Conservation Entities	3,114.95
Acres Conserved Total	4,124.97
Devaluation due to Conservation Easements	$5,587,222
Devaluation due to Tax-exempt Conservation Land Holdings	$2,893,000
Total Devaluation	$8,480,222
Tax Revenue Loss due to Conservation Easements	$32,406
Tax Revenue Loss due to Tax-exempt Conservation Land Holdings	$16,779
Total Tax Revenue Loss	$49,185
Percentage of the County's Budget	0.0005%

C. Essex County

Recordation of a conservation easement within Essex County begins when prepared easement papers are presented by an attorney or other interested party to the Clerk of the Circuit Court. The clerk then validates the document by stamping recording information (ie. date) and writing the instrument number on the original document. If applicable, a recordation fee and tax are paid, the clerk makes a copy of the original (which is kept for scanning), and the original and a receipt for the transaction are returned to the presenter. After the easement documents are scanned into the county's computer system, the transaction will appear on a monthly transfer sheet generated by the clerk and placed in the CoR's mailbox. In Essex, the clerk flags conservation easements on the monthly transfer sheet, which assists the CoR in pulling associated electronic files.

In Essex County the CoR may become aware of a conservation easement prior to recordation through minutes from Virginia Outdoors Foundation meetings or through word of mouth from the County Administrator or other interested parties. Once the documents are recorded, the CoR reviews the transfer sheet and downloads complete copies of the easement to the local computer network.

With the adoption of land use assessment and taxation in 2008, agricultural, horticultural, forest, and open space lands with conservation easements in Essex County are to be assessed using the land use values established during each reassessment year. The CoR received

Chapter Focal Points:

- *Essex is a land use county.*
- *The Clerk flags easements on the monthly transaction sheet given to the CoR.*
- *Essex CoR has made changes to his approach in devaluing conservation easements within the county. Such charges will lower the TVLB reported to the VaTAX and will therefore benefit through State aid for education.*
- *Essex County has approximately 12,343.81 acres under conservation easement. This equates to a $115,288 loss of tax revenue.*
- *Essex County has approximately 1,170.18 acres of land held by tax exempt entity for conservation purposes. This equates to approximately $14,790 in lost tax revenue.*
- *Essex consists of approximately 13,514 acres of conserved lands which equates to a loss of $130,078 in total tax revenues annually. This represents 0.44% of the county's budget for 2009-2010.*

guidance about devaluing fair market assessments for conservation easements through a certification course "Land Use Taxation" presented through the University of Virginia Weldon Cooper Center for Public Service and sponsored by the Commissioners of the Revenue Association of the Commonwealth of Virginia. The CoR also used other sources of information such as the International Association of Assessing Officers (IAAO), as well as the publication *Appraising Easements – Guidelines for Valuation of Land Conservation and Historic Preservation Easements*, Third Edition, published by the Land Trust Alliance in cooperation with the National Trust for Historic Preservation.

Local Findings

Essex County's CoR has recently documented all open-space easements, including both conservation and historic easements, and has systematically lowered the fair market values of those properties using open space use values. Because the majority of these properties were already in the land use program, the annual tax loss does not change much – it simply goes from being tax deferred to being a perpetual loss. Using the land use values significantly lowers the fair market values of perpetually eased property and has a direct influence on the total true value of the land book and hence the Composite Index. Therefore, conservation easements lower assessed values and ultimately increase the level of state aid for K-12 school funding to a locality.

It was found that Essex County has approximately **12,343.81 acres** of land with conservation easements, and in using their current land use rates for lands, Essex County would **lose approximately $115,288 in tax revenue due to easements**.

In conjunction with assessing the fiscal impacts of conservation easements, MPPDC staff also considered the fiscal impacts of fee simple land ownership by tax-exempt organizations for conservation purposes. With approximately **1,170.18 acres** of land in the county owned by tax-exempt organizations, this equates to approximately a **$14,790 loss of tax revenue**.

Therefore when conservation easements and lands owned by tax-exempt organization are looked at together, the county consists of approximately **13,514** acres of

conserved lands which equates to a **loss of approximately $130,078 in total tax revenues** annually. This represents **only 0.44%** of the county's $29,289,038 budget for 2009-2010.

Quantitative Summary of results from Essex County

This provides an overview of the county's recognition of conservation easements as well as tax-exempt conservation land holdings and their fiscal impacts to the county.

Acres under Conservation Easements	12,343.81
Acres held by Tax-exempt Conservation Entities	1,170.18
Acres Conserved Total	13,514.00
Devaluation due to Conservation Easements	$18,594,806
Devaluation due to Tax-exempt Conservation Land Holdings	$2,385,480
Total Devaluation	$20,980,286
Tax Revenue Loss due to Conservation Easements	$115,288
Tax Revenue Loss due to Tax-exempt Conservation Land Holdings	$14,790
Total Tax Revenue Loss	$130,078
Percentage of the County's Budget	**0.44%**

D. King William County

Upon recordation of a conservation easement in King William County, an attorney or landowner will go to the clerk's office with prepared easement papers. The clerk will then enter and scan information into the county's computer system. Depending on how the easement papers are prepared, the clerk will label it accordingly (ie. Deed of Easement; Deed of Gift; Deed of Bargain Sale). The landowner/attorney will also provide a copy of the plat at the time of recordation which must be sign-off by the King William County Planning Department. Once signed, the plat will be recorded by the clerk. After recording, the plat is returned to the landowner but the landowner/attorney is then expected to provide one copy of the recorded plat to the planning department and another copy of the recorded plat to the CoR.

The attorney/landowner will pay a recordation fee, if applicable. The clerk will then create a receipt for the attorney/landowner. The information scanned into the computer will appear on the monthly transaction sheet generated by the clerk and is then given to the CoR. Conservation easements are not flagged on this sheet.

The CoR will review the monthly transaction sheet as well as a copy of the plat from the landowner/attorney. Reviewing the transaction sheet is typically the first time that the CoR will know that a property is going into a conservation easement and even then the transaction sheet did not give the CoR any indication of an easement. On rare occasions a landowner may call with questions

Chapter Focal Points:

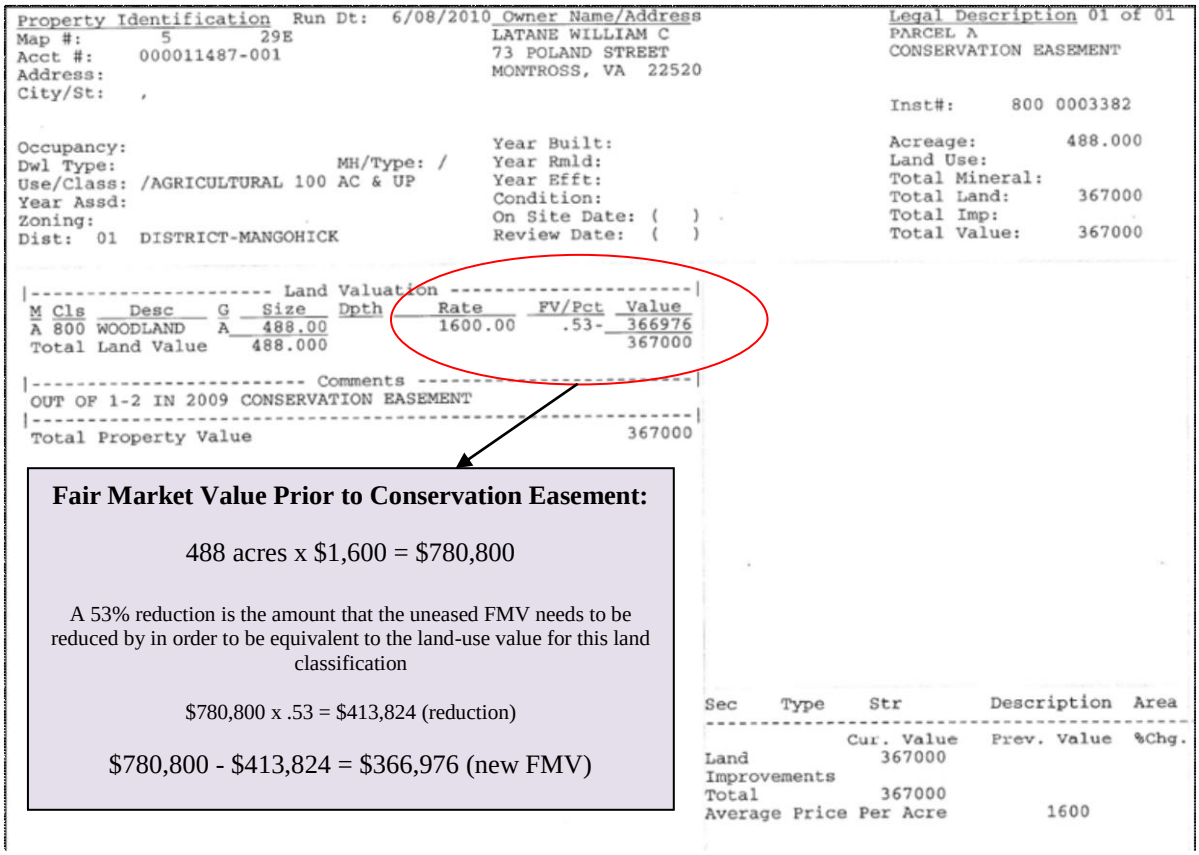
- *King William is a land use county.*
- *King William requires a plat signed by the county's planning department with easement documents.*
- *The transaction sheet is the first time the CoR becomes aware of a conservation easement.*
- *Upon review of the transaction sheet the CoR will reduce the fair market value of the property and inform the landowner of changes.*
- *King William has approximately 6,729.3 acres of land with conservation easements, which equates to a tax revenue loss of $59,893 due to easements.*
- *King William has approximately 2,630.09 acres of land in the county owned by tax exempt organizations, this equates to approximately $53,500 loss of tax revenue.*
- *King William consists of approximately 9359.39 acres of conserved lands which equates to a total tax revenue loss of $113,393 annually. This represents 0.54% of the county's budget for 2009-2010.*

regarding tax benefits of conservation easement which provides some notification of a conservation easement prior to recordation.

Local Findings

The majority of lands currently under conservation easement were previously in the use program, so there is no change in the assessed value and therefore no change in tax liability. However, when a property is in the land use program the reduced land use value is considered a deferral of tax revenues, while with conservation easements this reduction is considered a permanent loss to the county due to its perpetual nature.

As a land use county, King William reduces the fair market value of a property of the easement based on the land use rates of the county (Figure 4). The land use rates are based on the values established by SLEAC (State Land Evaluation and Advisory Council), however are adjusted through a "Budget Plug Approach." In other words the county will generate land use values that will allow King William County to meet the budgetary needs for the fiscal year.



Property Identification Run Dt: 6/08/2010 Owner Name/Address
Map #: 5 29E
Acct #: 000011487-001
Address:
City/St: ,

LATANE WILLIAM C
73 POLAND STREET
MONTROSS, VA 22520

Legal Description 01 of 01
PARCEL A
CONSERVATION EASEMENT

Inst#: 800 0003382

Occupancy:
Dwl Type: MH/Type: /
Use/Class: /AGRICULTURAL 100 AC & UP
Year Assd:
Zoning:
Dist: 01 DISTRICT-MANGOHICK

Year Built:
Year Rmld:
Year Efft:
Condition:
On Site Date: ( )
Review Date: ( )

Acreage: 488.000
Land Use:
Total Mineral:
Total Land: 367000
Total Imp:
Total Value: 367000

Land Valuation

M	Cls	Desc	G	Size	Dpth	Rate	FV/Pct	Value
A	800	WOODLAND	A	488.00		1600.00	.53-	366976
Total Land Value				488.000				367000

Comments
OUT OF 1-2 IN 2009 CONSERVATION EASEMENT

Total Property Value 367000

Sec	Type	Str	Description	Area
			Cur. Value	Prev. Value	%Chg.
Land			367000		
Improvements					
Total			367000		
Average Price Per Acre			1600		

Fair Market Value Prior to Conservation Easement:

488 acres x $1,600 = $780,800

A 53% reduction is the amount that the uneased FMV needs to be reduced by in order to be equivalent to the land-use value for this land classification

$780,800 x .53 = $413,824 (reduction)

$780,800 - $413,824 = $366,976 (new FMV)

Figure 4: Property Card for King William Parcel under conservation easement. The reduced fair market value of the land is documented on the card, however the original fair market value is not. In the blue box above a simple calculation may be complete to gather the original fair market value of the property. In this particular example there was a 53% reduction in FMV, however this percentage may vary between lands with conservation easements.

The reduction in fair market value occurs upon notice of the conservation easement through the transaction sheet, while tax liabilities due to the changes become effective the following year. The only time a landowner is informed about the change in tax liability is during the reassessment period. To date, notices have not been sent to inform landowners with conservation easements of the change in tax liability since the Commissioner believed that all these lands are in the land use program – therefore there are no changes made with regard to the reduction of fair market value. According to the CoR, she received guidance for devaluing the fair market value through a Land Use Class sponsored by the Commissioner of Revenue Association as well as from the VA Code.

Consequently it was found that King William County has approximately **6,729.3 acres** of land with conservation easements, and in using the current fair market value devaluation methods, King William County is **losing $59,893 in tax revenue due to easements.**

In conjunction with assessing the fiscal impacts of conservation easements, MPPDC staff also considered the fiscal impacts of fee simple land ownership by tax-exempt organizations for conservation purposes. With approximately **2,630.09 acres** of land in the county owned by tax-exempt organizations, this equates to approximately **$53,500 loss of tax revenue.**

Therefore when conservation easements and lands owned by tax-exempt organization are looked at together, the county consists of approximately **9359.39 acres** of conserved lands and a total tax revenue loss of approximately **$113,393 in total tax revenues** annually. This represents **only 0.54%** of the county's $20,851,240 budget for 2009-2010.

Quantitative Summary of results from King William County

This provides a summary of the county's recognition of conservation easements as well as tax-exempt conservation land holdings and their fiscal impacts to the county.

Acres under Conservation Easements	6,729.3
Acres held by Tax-exempt Conservation Entities	2,630.09
Acres Conserved Total	9,359.39
Devaluation due to Conservation Easements	$7,394,152
Devaluation due to Tax-exempt Conservation Land Holdings	$6,604,942
Total Devaluation	$13,999,094
Tax Revenue Loss due to Conservation Easements	$59,893
Tax Revenue Loss due to Tax-exempt Conservation Land Holdings	$53,500
Total Tax Revenue Loss	$113,393
Percentage of the County's Budget	**0.54%**

King & Queen County

Upon recordation of a conservation easement in King & Queen County, an attorney or landowner will go to the clerk's office with prepared easement papers. The clerk will then enter and scan easement documents into the computer. On occasion, a plat of the property being eased will supplement the conservation easement documents, but it is not required for recordation. The attorney/landowner will then pay a recordation fee, if applicable. Next the clerk will provide a receipt to the attorney/landowner for the transaction. The information scanned into the computer will appear on the monthly transaction sheet generated by the clerk. The clerk does not specifically flag conservation easements.

The CoR will receive a copy of the transaction sheet along with a folder of deeds associated with the transactions that occurred that month. In addition to the deed of easement, a survey of the property in typically included. Currently, the Commissioner has a folder dedicated to conservation easements in her office. Although this folder is not accessible by the public, it is used specifically for her own records as well as the Board of Supervisors.

The CoR reduces the fair market value of the property during the review of the transaction sheet each month. Once adjustments are made to the fair market value the CoR will send a letter to the landowner that explains the tax liability changes. To date there have been no contests.

As a non-land use county, VA Code does not prescribe an approach to reducing the fair market value of land under

Chapter Focal Points:

- *King & Queen is a non-land use county.*
- *CoR becomes aware of an easement during her review of the monthly transaction sheet.*
- *CoR reduces the FMV of lands with conservation easements by 25%. However there are some inconsistencies.*
- *King & Queen County has approximately 14,906.45 acres of land with conservation easements, which equates to a $14,953 loss in tax revenue due to easements.*
- *King & Queen has approximately 12,971.25 acres of land in the county owned by tax exempt organizations, which equates to $64,161 loss of tax revenue.*
- *King & Queen consists of approximately 27,877.7 acres of conserved lands which equates to a loss of approximately $79,114 in total tax revenues annually. This represents 0.39% of the county's budget for 2009-2010.*

conservation easement. Therefore in King & Queen County CoR has chosen to consistently and equitably reduce the fair market value of lands under conservation easement 25%. This 25% reduction is clearly shown on the property card. The CoR explained that a 25% reduction is used since this was the approach utilized by the assessor during the last reassessment in King & Queen.

Local Findings

Consequently it was found that King & Queen County has approximately **14,906.45 acres** of land with conservation easements, and in using the current fair market value devaluation methods, King & Queen County is **losing $14,953 in tax revenue due to easements**.

In conjunction with assessing the fiscal impacts of conservation easements, MPPDC staff also considered the fiscal impacts of fee simple land ownership by tax-exempt organizations for conservation purposes. With approximately **12,971.25 acres** of land in the county owned by tax-exempt organizations, this equates to approximately **$64,161 loss of tax revenue**.

Therefore when conservation easements and lands owned by tax-exempt organization are looked at together, the county consists of approximately 27,877.7 acres of conserved lands which equates to a **loss of approximately $79,114 in total tax revenues** annually. This represents **only 0.39%** of the county's $20,194,124 budget for 2009-2010.

Quantitative Summary of results from King & Queen County

This provides a summary of the county's recognition of conservation easements as well as tax-exempt conservation land holdings and their fiscal impacts to the county.

Acres under Conservation Easements	14,906.45
Acres held by Tax-exempt Conservation Entities	12,971.25
Acres Conserved Total	27,877.7
Devaluation due to Conservation Easements	$3,115,224
Devaluation due to Tax-exempt Conservation Land Holdings	$13,334,709
Total Devaluation	$16,449,933
Tax Revenue Loss due to Conservation Easements	$14,953
Tax Revenue Loss due to Tax-exempt Conservation Land Holdings	$64,161
Total Tax Revenue Loss	$79,114
Percentage of the County's Budget	**0.39%**

E. Mathews County

Upon recordation of a conservation easement in Mathews County, an attorney or landowner will go to the clerk's office with prepared easement papers. The clerk will then enter and scan information into the computer. The attorney/landowner would then pay a recordation fee, however never if the entity is tax-exempt a recordation fee is not paid. The clerk will then create a receipt for the attorney/landowner.

Since a conservation easement is not a transfer of title, it does not appear on the monthly transaction sheet from the Clerk's office. Therefore Mathews County currently does not track right-of-ways and/or easements. Prior to recordation of the easement, appraisers typically come into the CoR's office to conduct property research and at that time the CoR becomes aware that a conservation easement is being prepared. However the CoR only truly becomes aware of a conservation easement if the landowner or representative informs the CoR of the recordation. Due to the small volume of conservation easements within the county, it is more economically feasible for taxpayer to provide information for an assessment adjustment rather than the CoR to take his time to reconcile the public record.

Once CoR is informed of the recordation of a conservation easement he will look to see if a before and after appraisal was complete. He will then use this appraisal to make adjustments to the assessed value of the property. As a small community, the Mathews County CoR has a close relationship with most of the appraisers within the county

Chapter Focal Points:

- *Mathews is a non-land use county.*
- *According to the CoR, the impacts of conservation easements are negligible to Mathews.*
- *Monthly transaction sheet does not include conservation easements.*
- *Land owners with conservation easements must apply for tax incentives. This responsibility is placed on the landowner due to the small volume of easements within the county. CoR will inform the land owner of all changes to owner of the change to tax liability.*
- *Mathews County has approximately 341 acres of land with conservation easements, which equates to a $1,107 loss in tax revenue due to easements.*
- *Mathews has approximately 257.97 acres of lands in the county owned by tax exempt organizations, this equates to an approximate $1,836 loss of tax revenue.*
- *The county consists of approximately 598.97 acres of conserved lands which equates to a loss of $2,942 in total tax revenues annually. This represents 0.01% of the county's budget for 2009-2010.*

and in most cases he personally knows the appraiser. Thus he trusts the appraisals and considers them legitimate. If an appraisal comes in from unknown appraiser, outside of his knowledge base, the CoR will do some research to judge the validity of the appraisal. If the CoR does not have a copy of the appraisals he will call the easement holder/ land holder and ask for a copy of the appraisal if the landowner has requested a reduction in the tax liability. After the landowner requests a reduction in tax liability, the CoR will reduce the fair market value and will inform the landowner of the change to tax liability. To date there have been no contests.

According to the CoR, he has received limited guidance for devaluing the fair market value of a property with a conservation easement, however the current methodology for reducing the fair market value is consistent and works for Mathews County; therefore it is supported by the VaTAX.

Local Findings

According to the CoR, the impacts of conservation easements are negligible to Mathews. Since most of the currently eased lands are wetlands this does not have a significant impact to county revenues. Eased lands may, however, have an impact on future revenues if the ability to develop marginal lands changes.

Consequently it was found that Mathews County has approximately **341 acres** of land with conservation easements, and in using the current devaluation methods, Mathews is **losing approximately $1,107 in tax revenue due to easements**.

In conjunction with assessing the fiscal impacts of conservation easements, MPPDC staff also considered the fiscal impacts of fee simple land ownership by tax-exempt organizations for conservation purposes. With approximately **257.97 acres** of land in the county owned by tax-exempt organizations, this equates to an approximate **$1,836 loss of tax revenue**.

Therefore when conservation easements and lands owned by tax-exempt organization are looked at together, the county consists of approximately **598.97 acres** of conserved lands which equates to a **loss of approximately $2,942 in total tax revenues** annually. This represents **only 0.01%** of the county's $22,206,678 budget for 2009-2010.

Quantitative Summary of results from Mathews County

This provides a summary of the county's recognition of conservation easements as well as tax-exempt conservation land holdings and their fiscal impacts to the county.

Acres under Conservation Easements	341.00
Acres held by Tax-exempt Conservation Entities	257.97
Acres Conserved Total	598.97
Devaluation due to Conservation Easements	$197,600
Devaluation due to Tax-exempt Conservation Land Holdings	$327,800
Total Devaluation	$525,400
Tax Revenue Loss due to Conservation Easements	$1,107
Tax Revenue Loss due to Tax-exempt Conservation Land Holdings	$1,836
Total Tax Revenue Loss	$2,942
Percentage of the County's Budget	**0.01%**

VI. Regional Summary

Overall, each county within the Middle Peninsula had a different approach to addressing conservation easements – from recordation, to reducing the property's fair market value to reporting the total land book value to the VaTAX. In working with each CoR, MPPDC staff were able educate CoRs as to the implications of current practices and presented opportunities to fiscally benefit from conservation easements.

Middle Peninsula localities that have adopted the land use program, including Gloucester, Middlesex, King William and Essex Counties, are prescribed by Va Code to assess and tax lands under conservation easements based on county land use rates. While non land use counties, including Mathews and King & Queen Counties have less guidance regarding the assessment of eased lands and seem to utilize practices that are applied consistently (eg. such as using land use value in an adjacent county with a land use program or using the value determined in the appraisal conducted during the easement process, or doing a flat 25% reduction).

During the first phase of this project to understand how counties consider conservation easements, MPPDC staff found that each county could improve in two areas:

1. Accounting for all conservation easements within their jurisdiction, and
2. Consistently reduce the fair market value of conservation easements.

Table 2 provides a comprehensive overview of conservation easements, tax-exempt land holdings for conservation purposes and their fiscal impacts to each county within the Middle Peninsula.

In working with each CoR, each county has either made changes in the manner they address conservation easements, or are aware of the changes that need to be made that will benefit the county in the composite index and therefore State aid for education.

Table 2: This provides a summary of the all the Middle Peninsula counties' recognition of conservation easements as well as tax-exempt conservation land holdings and their fiscal impacts to the county.

	Acres under Conservation Easements	Acres held by Tax-exempt Conservation Entities	Acres Conserved Total	Devaluation due to Conservation Easements	Devaluation due to Tax-exempt Conservation Land Holdings	Total Devaluation	Tax Revenue Loss due to Conservation Easements	Tax Revenue Loss due to Tax-exempt Conservation Land Holdings	Total Tax Revenue Loss	Percentage of the County's Budget
Middlesex	4,291.00	521.00	4,812.00	$10,793,682	$1,550,832	$12,344,514	$37,778	$5,428	$43,206	.18%
Gloucester	1,010.02	3,114.95	4,124.97	$5,587,222	$2,893,000	$8,480,222	$32,406	$16,779	$49,185	.0005%
Essex	12,343.81	1,170.18	13,514.00	$18,594,806	$2,385,480	$20,980,286	$115,288	$14,790	$130,078	.44%
King William	6,729.3	2,630.09	9,359.39	$7,394,152	$6,604,942	$13,999,094	$59,893	$53,500	$113,393	.54%
King and Queen	14,156.45	12,971.25	27,127.70	$3,115,224	$13,334,709	$16,449,933	$14,953	$64,007	$78,960	.39%
Mathews	341.00	257.97	598.97	$197,600	$327,800	$525,400	$1,107	$1,836	$2,942	.01%
Regional Total	38,872	20,665	59,537	$45,959,290	$27,096,763	$73,056,053	$262,974	$156,340	$419,313	-

VII. Fiscal Impacts and Community Benefits of Conservation Efforts

Within the Middle Peninsula, each county's comprehensive plan has seemingly similar visions to preserve rural character through the preservation/conservation of open space, agricultural land, and forest land (Appendix 1). To promote this goal conservation easements and fee simple land acquisitions become a viable land management tool. Although such tools have fiscal impacts to localities, conservation efforts and preservation of rural character have social, economic and environmental benefits to the region.

Social Benefits

Historically the Middle Peninsula has had a rich natural resource based economy, focused on silviculture and agriculture. However through recent decades, as the region transitions from being rural to more suburban, development threatens agriculture fields and timber lots. Therefore conservation efforts have preserved regionally significant lands ideal to continue forestry and agriculture practices, thus supporting traditional natural resource based industries. In particular conservation easements, which provide landowners tax benefits, also afford farmers the opportunity to keep family farms within the family. Residents of the region may also enjoy the assets of conservation efforts, including scenic vistas and outdoor spaces, which have been known to contribute to the physical and mental well-being of individuals, and the development of social communities.

Environmental Benefits

In maintaining open space and conserving agriculture and forestry lands, the ecological integrity is preserved. Besides providing wildlife habitat, these lands are buffers to the waterways (ie. Dragon Run and the Chesapeake Bay) throughout the region, thereby acting as a best management practice in helping to promote water quality.

Economic Benefits

As previously discussed in this report, the amount of state aid for education that a locality receives is highly dependent upon the total fair market value of its real estate.

Commissioners of Revenue that begin to account and consistently reduce the fair market value of **all** lands under conservation easements within their jurisdictions will observe a reduction in the true value of land book (TVLB) reported to VaTAX which will directly impact and reduce the True Value of Property (TVP) for the Composite Index. Consequently with a reduction of the TVP the composite index will decrease which represents an increase in the amount of state aid received for education by the locality. Specifically when considering the Middle Peninsula localities have reduced their true value of land book due to comprehensively accounting and consistently reducing the total fair market value of land under conservation easements (Table 4). In conjunction with conservation easements impacting the true value of land book, Table 4 also shows that King and Queen County was able to reduce their true value of land book by an additional $645,359 upon the recognizing a reporting error.

Table 4: Reductions in the Total Value of Land book (TVLB) due to conservation easements and tax-exempt land holdings, and the impact to True Value of Property for Middle Peninsula Localities.

County	TVLB Devaluation due to easements	TVLB Devaluation of tax-exempt land holdings	TVLB Total Devaluation	VaTAX Sales Study Ratio[1]	True Value of Property
				*NOTE: the VaTAX Sales Study Ratio is applied to the TVLB in order to generate the True Value of Property	
Essex	$18,594,806	$0	$18,594,806	95.23%	$19,526,206
Gloucester	$5,587,222	$0	$5,587,222	85.11%	$6,564,707
King and Queen	$2,241,784	$645,359	$2,887,143	70.00%	$4,124,491
King William	$4,747,218	$0	$4,747,218	89.89%	$5,281,142
Mathews	$0	$0	$0	62.56%	$0
Middlesex	$10,520,755	$0	$10,520,755	79.53%	$13,228,662

[1] In accordance with Section 207 of Title 58.1 of the Code of Virginia, the Virginia Department of Taxation conducts an annual real property assessment/sales ratio study covering every city and county in the Commonwealth. The study estimates the existing assessment/sales ratio for each locality by comparing assessed values to the selling prices of bona fide sales of real property. A locality's total fair market value of real estate, divided by its assessment/sales ratio, produces an estimate of the locality's total true value of real estate. The local true values developed in this study are used as a factor in Virginia's basic school aid distribution formula.

Local government may also receive "Payments in Lieu of Taxes" (or PILT) are Federal payments that help offset losses in property taxes due to nontaxable Federal lands within their jurisdiction. The payments are made annually for tax-exempt Federal lands administered by the BLM, the National Park Service, the U.S. Fish and Wildlife Service (all agencies of the Interior Department), the U.S. Forest service (part of the U.S. Department of Agriculture), and for Federal water projects and some military installations. PILT payments may be used for any governmental purpose relative to public safety, environment, housing, social series and transportation. According to the formula established by the PILT law, there are three categories of entitlement lands:

- Federal lands in the National Forest System and the National Park System, lands administered by BLM, lands in Federal water resource projects, dredge areas maintained by the U.S. Corps of Engineers, inactive and semi-active Army installations, and some lands donated to the Federal government (section 6902 payments)
- Federal lands acquired after December 30, 1970, as additions to lands in the National Park System or National Forest Wilderness Areas (section 6904 payments)
- Federal lands in the Redwood National Park or lands acquired in the Lake Tahoe Basin near Lake Tahoe under the Act of December 23, 1980, (Section 6904 or 6905 payments).

For example Essex County receives approximately $7,000 annually in PILT from US Fish and Wildlife Services for the Rappahannock River Valley Natural Wildlife Refuge. In addition to the federal government, within the Commonwealth of Virginia the Virginia Department of Forestry (DOF) will make payments in lieu of taxes to counties. Every 10 years DOF inventories forests throughout the state and develops plans that establish harvest levels, which determine income. Twenty-five percent of the gross income is returned to the county where the forest is located. More specifically in 2009-2010 King & Queen County received $11,317.93 from DOF, while King William County received

$31,101.84. Now when taking into consideration the tax revenue losses accrued due to the fee-simple land ownership of lands by tax-exempt entities for conservation purposes, DOF revenues to the county reduces the overall loss of taxes due to conserved lands (Table 6).

Table 6: Revenues received by King & Queen and King William County from DOF for timber sales (DOF, 2009).

County	Taxes lost due to fee simple land ownership by tax-exempt entities	Revenues Received from DOF	Net Tax Loss
King & Queen	$64,161	$11,317.93	$52,843.07
King William	$53,500	$31,101.84	$22,398.16

Furthermore when considering a community's future land use, local elected official must weigh the social, fiscal and environmental implications of their choices that fit best into their community. Yet with each type of land use there is a price of public services that must be provided (Table 7). In 2006, the American Farmland Trust Conducted a study that focused on the cost of community services to three types of land uses: (1) residential including farm houses, (2) Commercial and Industrial, and (3) Working and open land. According to the study,

> "While it is true that an acre of land with a new house generates more total revenue than an acre of hay or corn, this tells us little about a community's bottom line. In areas where agriculture or forestry are major industries, it is especially important to consider the real property tax contribution of privately owned working lands. Working and other open land may generate less revenue than residential, commercial or industrial properties, but they require little public infrastructure and few services."

Overall working lands generate more public revenues over a 20 year period than they receive back in public services, whereas on average residential and land uses do not cover their costs, and must be subsidized by other community land uses. Therefore conserving farms and forest is one of the strategies a county can use to reduce the pressure on their budget and tax rate from the increasing costs of resident development. Table 7 presents average costs of services to residential (ie. farm houses), commercial and industrial, and

working and open land uses in Virginia. These numbers suggest that the cost of servicing residential land uses is 69% higher than servicing working and open land.

Table 7: Revenue-to-Expenditure ratios in Dollars for average costs of services to residential, commercial and industrial, and working and open land uses in Virginia (American Farmland Trust, 2006).

Residential including farm houses	Commercial & Industrial	Working & Open Land
$1.00 : $1.19	$1.00 : $0.29	$1.00 : $0.37
For every dollar of revenue the county will spend "x" amount of money		

Other Easements and Public Holdings

Beyond conservation easements localities may be fiscally impacted by a variety of other easements. Through the Virginia Historic Preservation Easement Program landowners have the option of utilizing historic easements to protect historic landmarks to enjoy long-term legal protection while remaining in private ownership. Private landowners that take advantage of this program are provided the same tax benefits as landowners with conservation easements. For instance, in King William County is one particular 581.56 acre historic easement that had its fair market value reduced by 52%, which equates to a loss of $5,922 in tax revenue annually. Table 6 lists the total number of acres with historic easements in each Middle Peninsula County.

Table 3: Total number of acres under historic easements within each Middle Peninsula County (Department of Historic Resources, 2010).

County	Acreage
Gloucester	442.55
Mathews	.85
King & Queen	.11
King William	2120.2
Middlesex	25.70
Essex	525.8
Total Acreage	3115.21

Another example of an easement that may impact the value of a property is a utility easement. Utility easements are strips of land used by utility companies to construct and maintain overhead electric, telephone and cable television lines and underground

electric, water, and sewer, telephone, and cable television lines. The type of use and frequency of this right-of-way use will determine the impact to property value, if at all.

Additionally many of the tax-exempt entities that own lands for conservation purposes are external to the county, including DCR, TNC, DGIF, etc, each county has its fair share of exempt entities that ultimately have an impact on county revenues. For example county buildings, including the courthouses, schools, office buildings and post offices, are all exempt from taxes. Also churches and civic groups are tax-exempt. Additionally since much of the Tidewater, Virginia area is flat and borders the Chesapeake Bay, numerous rivers, inlets, marshes, and creeks as well as located in the floodplain. It is important to help provide protection from the flooding. Therefore the Federal Emergency Management Agency (FEMA) offer financial assistance to qualified local governments to acquire parcels of lands that will help mitigate local flooding. For instance in Gloucester County owns approximately 62.1266 acres of multiple parcels. As a political subdivision, Gloucester County is tax-exempt and therefore fiscally impacts the county. For a complete list of tax-exempt entities please refer to Article X. Sec, 2, Par. 6 of Virginia Constitution (Appendix 4). Within each county however, a community group/entity may also request tax-exempt status through the County's Board of Supervisors who has ability to grant tax exemption to a group they deem qualified.

VIII. Reported Needs

Through phase I of this project, MPPDC staff were able to work with Middle Peninsula Commissioners of Revenue to develop recommendations that (1) promote consistency between counties regarding assessment of easements/land holdings by tax-exempt organizations and (2) promote consistency between counties regarding easements/land holdings by a tax-exempt organization and their impact to the composite index. Consistent methodologies between counties present an equitable opportunity to receive appropriate state educational funding by accurately accounting for all land management tools (ie. conservation easements) and transactions utilized within their jurisdiction as well as their fiscal impacts. Additionally localities will gain a uniform understanding and knowledge base pertinent to address conservation easements and tax-exempt land holdings for conservation in the future.

Recommendations and Considerations:

1. To promote consistency between counties regarding assessment of easements/land holdings by a tax-exempt organization:
    - When localities are hiring an assessment firm, a locality should require a provision within the assessment firm's contract that focuses on how easements will be addressed and valued during reassessment of the property.

    - The Commissioners of Revenue recommend that continuing education classes to introduce and educate elected officials, county staff, and Commissioners of Revenues about Conservation Easements. Particularly, describe what are they, their fiscal impacts, relationship to State Funding for education (ie. composite index), and relative legislation;

    - Commissioners of Revenue need information on various types of easements and associated encumbrances that will aid to streamline property assessment approaches across the region and/or throughout the Commonwealth;

    - This report has provided a list of all easements through September 30, 2010, however there is a need to maintain and update this list in order to provide to county assessors. This list will inform the assessment of the encumbered property and aid in the consistent accountability and devaluation of lands with conservation easements.

- Local conservation organizations should work closely the with Commissioners of Revenue to become aware of local conservation easement initiatives or fee simple acquisitions that have fiscal impacts. This will assist in future fiscal planning and budgeting for the locality.

- The Virginia State Supreme Court should consider adding Conservation Easements to the transaction category list for recording purposes that will improve accountability and searchability of easement documents throughout the Commonwealth;

- Clerk of the Circuit Court from localities should flag conservation easements on monthly transaction sheets to inform the Commissioner of Revenue of this transaction and to reduce the fair market value of the property due to the encumbrance. Once flagged the Commissioner and the Clerk of Court should develop and/or improve the tracking/labeling of digital records that clearly identifies easements to improve accountability and searchablilty of easement documents for county staff and constituents;

2. To promote consistency between counties regarding easements/ land holdings by a tax-exempt organization and their impact on the composite index:
   - The Virginia Association of Assessing Officers should develop educational activities for Commissioner of Revenue to address the fiscal impacts of easements and land holdings by tax-exempt organizations. Particular with regards to the composite index;

   - The Virginia Association of Assessing Officers should develop outreach material directed to Commissioners of Revenues and County Administrators that focus on how the total value of land book reported to the VaTAX impacts the Composite Index generated by Virginia Department of Education to provide consistent information.

IX. Conclusions

As land conservation efforts, through the utilization of conservation easements and/or fee simple land acquisitions become more commonly used, localities need to refine approaches and methodologies in handling these land management/ownership changes. MPPDC staff continues to work with Middle Peninsula Commissioners of Revenue to improve current practices in approaching conservation easements –from recordation of a conservation easement, to reducing the property's fair market value to reporting the total land book value the Virginia Department of Taxation. Finding of this project will become the foundation for phase II of this project.

During phase II, which will begin in October 2010, MPPDC staff will focus on the generating dialog and facilitating discussion amongst a variety of stakeholders on the relationship between land conservation, land use policy, and fiscal impacts to the localities. The quantitative results generated during Phase 1 will supplement and support the discussions during Phase 2 with hopes of developing a matrix of policy options and recommendations to address land conservation and its local fiscal impact.

PROJECT FINDINGS -

- The tax revenue impact of conservation easements is less than 0.54% of any given Middle Peninsula locality's annual budget.
- Easements lower land value and help the composite index.
- Schools receive more state aid funding because of easements.
- Localities receive revenues from timbered lands on state forests.
- Working and other open land may generate less revenue than residential, commercial or industrial properties, but they require little public infrastructure and few services.
- Rural character is preserved through the conservation of open space, forestal, and agricultural lands that also support the region's traditional natural resource based economy.
- Commissioners of Revenue are inconsistent when addressing conservation easements.
- Commissioners of Revenue have changed reporting practices because of this work.

Appendix 1 - County Comprehensive Plan Language Relevant to land conservation and preservation

MIDDLESEX County

County Wide:

-The citizens will continue to place high priority on maintaining the rural nature of the territory while accommodating desirable new development. (pg. 17)

-The rural nature of the County, which combines watercourses, forests, and fields, provides ideal circumstances for quality wildlife habitats and biological diversity (pg. 55)

-to preserve agricultural/open space land or release it to unrestrained development. Agriculture is a land use activity which has supported Middlesex economically for generations. Furthermore, it may be even more important to recognize that agricultural lands are a major element of the open space which defines the rural nature of the County. This particularly visible component of the country scene contributes directly to the quality of life and satisfaction its residents enjoy.(pg.104)

-First, highest priority must be placed on the preservation of the rural character of the County. As defined, the rural character includes natural and open spaces between concentrations of activities. (pg. 105)

-the County should adopt and or promote additional methods of land conservation.(pg. 123)

-Enhance the rural and environmental character of the County through the preservation of agricultural and forestall lands, wetlands, flood hazard areas, and Chesapeake Bay Resource Protection Areas (pg. 136)

Within the Dragon Run Watershed:

-Low intensity land uses that are consistent with the conservation of the area's natural resources should be the dominant land uses in the Watershed and new development should be compatible with surrounding rural areas as well as incorporate development standards and management practices that ensure protection of the area's natural resources (pg.111)

- The County should consider implementation strategies that preserve existing land uses and protect the natural resources in the Watershed such as conservation zoning and subdivision approaches, additional stream buffers and setbacks, the purchase of development rights, donation of private ***easements****, landowner compacts, and land use taxation (pg. 112)*

-The County should protect the key natural resources in the Watershed, including the ground and surface water quality, wetlands, and sensitive environmental features; native plant and animal species and their natural habitats; and the productive soils that support farming and forestry uses. (pg.112)

GLOUCESTER County

-To protect the unique character and identity of Gloucester County careful management of the natural resources (pg. 17)

-To project and enhance the environmental quality and the Chesapeake Bay for present and future residents (pg. 17)

-To conserve and manage Gloucester's natural resources and community assets. Objectives: (3)to conserve prime agricultural and forested land sand guide residential, commercial and industrial development to areas suitable for urban growth, (4) to cooperate and actively work with local, regional, state, and federal environmental agencies to implement safe and effective programs and policies to protect Gloucester's natural resources and (5) to update and revise local ordinances as needed in order to protect and enhance the County's natural resources (pg.20)

- To place high priority on selective acquisition, preservation, and recreational uses of areas with natural resources.(pg. 21)

-special emphasis should be placed on the preservation of natural resources, sensitive natural areas, and waterfront areas (pg. 45)

-To protect our wetlands and natural resources from unnecessary destruction due to increased drainage, filling or construction that would hamper vegetation, water storage, erosion control, or support for plant and wildlife (pg. 71)

- balance population growth with the ability or capacity of the County to provide adequate public facilities and services while maintaining the rural nature and quality of the County. inherent to the quality of life in Gloucester county is its abundant natural environmental assets including an extensive shoreline, broad estuarine rives, forested areas, rural landscapes and waterfront vistas. (Appendix B- pg.3)

-Protect open space and groundwater recharge areas through use of existing ordinances, development and implementation of an open space plan, consideration of conservation subdivisions and incentives for open space preservation through the land use tax assessment program. (Appendix B- pg. 69)

-Use existing land use regulations and incentives to protect existing habitat for wildlife and preserve potential habitat areas for future use to preserve biodiversity in technologies and protect the County's recreation opportunities for hunting, fishing and wildlife observation. (Appendix B – pg. 71)

-Prepare a Countywide open space inventory and evaluation as baseline for an open space plan. The concept of the plan would be to evaluate as baseline for an open space plan. The concept of the plan would be to evaluate existing open space resources and provide the basis for to develop future County goals for preservation of environmentally sensitive lands and planning for the sustainable development use of the County's existing land resources consistent with the County's growth management goals. Preserve and protect open space resources as ground water recharge areas and to reduce non-point source pollution. (Appendix B – pg. 71)

ESSEX County

- Conserve farmland, forested areas, open space and rural character (pg.71)

-Protect and enhance the natural resources and environmental quality of the County through measures which protect the County's natural resources and environmentally sensitive lands and waters (pg. 74):

- *Conserve forest resources while supporting the timber harvesting industry as an important component of the County economy*
- *Protect the important natural function of floodplains within the County by limiting disturbances caused by development activity*
- *Protect important plan and wildlife habitats within the county*
- *Coordinate environmental quality protection efforts with future opportunities to establish public parks, natural recreation areas, and open spaces*

-Protect the land resources necessary to support the County's agricultural and timber harvesting industries and maintain and enhance its rural character (pg. 78):

- *Preserve the land base of productive agricultural soils in rural areas for a farming*
- *Manage and maintaining forestland resources in the County*
- *Minimize the conflicts which can occur between farm activities and residential development. Establish provisions in the Zone Ordinance which support the farmers "right to farm" in the Agricultural Preservation and country-side plan districts*
- *Encourage the implementation of soil conservation and water quality management plans, nutrient management plans and integrated pest management on all farms in the county*

-Preserve and enhance the County's rich cultural and historic heritage (ie. significant and important historic sites, properties, and structures) (pg. 79)

-Two guiding objectives of the Essex County Land Use Plan are the preservation of the County's rural character and protection of its natural resources. (pg. 87)

-The County's natural environment, its wildlife, steep slopes, masses of forest cover, riverfront and tributaries all literally define the county. As such they reflect the character and culture of the County. (pg. 118)

KING WILLIAM County

-The preservation and protection of the County's forests are of prime concern based on survey responses and comments made by citizens at public meetings. (pg. II-9)

-To minimize the reduction of vegetative cover caused by development (pg. VIIi-4)

-To preserve the large forested areas of the County (pg. VIII-5)

-To maintain and preserve rural, agricultural, environmental and historic qualities of the County (pg. VIII-5)

-To ensure that sound land use and development practices are employed and guide future development in an efficient and serviceable manner which is protective of King William County's predominantly rural and ecologically sensitive character. (pg. VIII-5)

- To ensure the continuation of forestry as an industry and the preservation and establishment of woodlands for their aesthetic and ecological value. (pg. VIII-10)

-Support programs and efforts to protect the County's prime agricultural lands from conversion to non-compatible land uses (pg. VIII-10)

- Evaluate alternative tax structures such as land use taxation as tools to promote agricultural land preservation. (pg. VIII-11)

- Support programs and efforts to promote woodlands as one of the best preventions of soil and pollutants from entering the Bay. (pg. VIII-11)

-Support programs and efforts to preserve woodlands. (pg. VIII-11)

*-Establish incentives which encourage sensitive areas to be avoided while preserving the owner's development rights of the property. Some tools that may be pursued include cluster development, protective **easements**, and limited density transfers.(pg. VIII-23)*

-To protect natural wetlands and habitat areas and other environmentally-sensitive areas from loss or degradation as a result of development.(pg. VIII-27)

-To ensure that critical and unique environmental areas are protected and preserved for the general welfare of King William County citizens and marine and wildlife populations, and the enjoyment of visitors (pg. VIII-27)

*-Study incentives to encourage conservation **easements**. (pg. VIII-28)*

KING & QUEEN County

Countywide:

-Rural Atmosphere: It is the general policy of the County to maintain and preserve the rural atmosphere and scenic beauty of the County while allowing moderate and carefully managed growth. The preservation of existing agricultural and forest lands by protecting them from excessive fragmentation, development, and incompatible uses is essential, as is innovative and attractive design and thoughtful placement of both residential and commercial development. Cluster housing, village development, open space requirements, attractive landscaping, vegetative buffers, conservation ***easements****, and effective outdoor lighting and sign policy are among the tools and concepts which can make this possible. Preservation of the rural atmosphere and beauty was a major theme of both the citizen survey responses and the citizen committee reports.(pg. 2)*

- Continuation of land uses customarily associated with farming and forestry is to be permitted and encouraged in these areas. (pg.3)

- The use of conservation or similar ***easements*** *to preserve open spaces and limit fragmentation is encouraged. Land use taxation or a program for purchase of development rights would be helpful in preserving farm and forest land if economically feasible, and should be investigated.(pg.3)*

- This [Cluster and Planned Unit Development] method of development enables the owner of a large tract of agricultural or woodland to use only part of the land for development as residential lots while preserving the majority of the land for agriculture, woodland, or conservation areas. (pg.6)

Within the Dragon Run Watershed

-Adoption of Dragon Run Special Area Management Plan (Appendix C)

-The Mission of the Plan is to support and promote community-based efforts to preserve the cultural, historic and natural character of the Dragon Run, while preserving property rights and the traditional uses within the watershed (Appendix A – pg. 13)

-A variety of tools (ie. Conservation ***easements****, PDR, Agricultural and Forestall Districts, etc) exist with which to preserve forest and farmland (Figure 3) and unique natural resources within the Dragon Run watershed. (Appendix C - pg. 18)*

MATHEWS County

-Committed leadership to managing future growth and development in a way that balances development, jobs, revenues, and public services while sustaining the rural character and special natural features of Mathews County (pg. 2)

-Increased conservation and management of large tract agriculture and forests (pg. 4)

-Preserve and protect the natural environment and resources of Mathews County, which are fundamental to the community's quality of life and prosperity. (pg. 7)

- Environmental conservation - wetlands, forests, water, soils, etc.; rising sea levels (pg. 14)

-Encourage grouped development for new housing subdivisions to preserve open space and the environment.

-Of particular importance worthy of greater conservation efforts are the maritime forests of Mathews County. These forests are important coastal habitats that are now challenged by climate change and rising sea levels (pg. 104)

*- Protect the environment by promoting and encouraging the use of best management practices and riparian buffers in agriculture and forestal operations. Promote environmental stewardship among landowners and operators by actively working with them in educational efforts and incentive or recognition programs. Tie reduced land use taxation to use of effective environmental practices. Encourage landowners to consider conservation **easements** for their properties. (pg. 144)*

-Where possible, conservation measures should be employed to protect natural communities and prevent investment losses in the future. (pg. 146)

*-In addition, Mathews County supports preservation of land through conservation or open-space **easements** (pg.151)*

-Rural Preservation/Conservation areas include public open space, natural preserves, and areas that should have carefully managed development or be conserved because of special ecosystems or natural conditions. (pg. 156)

-Amend the County Zoning Ordinance to increase lot sizes for rural agriculture and forested lands. Consider using agricultural and forestal districts to preserve the lands for production. (pg. 208)

Appendix 2 – Cumulative List of Conservation Easements and Tax-exempt Land Holdings within each Middle Peninsula County

Middlesex County *(through September 2010)*

Conservation Easements		
Tax Map Number	**Easement Holder**	**Acres**
6 12	The Nature Conservancy	325.611
6 15	The Nature Conservancy	30
6 56	The Nature Conservancy	134
11 1	The Nature Conservancy	45.1
11 2	The Nature Conservancy	141.1
11 2A	The Nature Conservancy	5.8
11 29A	Virginia Outdoors Foundation-Friends of Dragon Run	203
13 6 1	Middle Peninsula Land Trust	30.91
13 6 2	Middle Peninsula Land Trust	6.8
13 6 3	Middle Peninsula Land Trust	9.6
13 6 4	Middle Peninsula Land Trust	8.9
13 6 5	Middle Peninsula Land Trust	8.5
13 6 6	Middle Peninsula Land Trust	11.5
17 53	Friends of Dragon Run	6.38
17 54	Chesapeake Bay Foundation	32.4
25 4	The Nature Conservancy	1052.87
26 75	Virginia Outdoors Foundation	399
27 63	Virginia Outdoors Foundation	171.187
27 71A	Virginia Outdoors Foundation	95.8311
29 135	Middle Peninsula Land Trust /VOF	399.79
30 128	Virginia Outdoors Foundation	37.9
30 52, 50, 51 and 47	Virginia Outdoors Foundation	32.3
35 3 and 35 3A	Virginia Outdoors Foundation	202
37 39	Middle Peninsula Land Trust	120.47
37 60	Virginia Outdoors Foundation	727.608
40 8C	Middle Peninsula Land Trust	52.38
Tax-exempt Land Holdings *(lands held without easement)*		
Tax Map Number	**Holder**	**Acres**
17 7	The Nature Conservancy	110
17 8	The Nature Conservancy	222.57
17 9	The Nature Conservancy	57.64
17 10	The Nature Conservancy	71.05
17 10B	The Nature Conservancy	186.055
17 51	The Nature Conservancy	42
42 2	The Nature Conservancy	70.1

Gloucester County *(through September 2010)*

Conservation Easements		
Tax Map Number	**Easement Holder**	**Acres**
19F(1)-A	Gloucester County - Pinebrook	2.79
19F(1)-B	Gloucester County - Pinebrook	3
19F(1)-C	Gloucester County - Pinebrook	15.28
19F(1)-D	Gloucester County - Pinebrook	58.39
19F(1)-E	Gloucester County - Pinebrook	0.31
19F(1)-F	Gloucester County - Pinebrook	7.21
19F(1)-G	Gloucester County - Pinebrook	1.28
19F(1)-H	Gloucester County – Pinebrook	47.64
19F(1)-I	Gloucester County – Pinebrook	2.68
19F(1)-J	Gloucester County – Pinebrook	3.21
19F(1)-K	Gloucester County – Pinebrook	8.8
19F(1)-L	Gloucester County – Pinebrook	0.33
19F(1)-M	Gloucester County - Pinebrook	12.29
19F(1)-N	Gloucester County – Pinebrook	1.8
19F(1)-O	Gloucester County – Pinebrook	8.11
19F(1)-p	Gloucester County – Pinebrook	1.06
19F(1)-Q	Gloucester County - Pinebrook	1.69
26(D)1-A	Gloucester County - Patriots Walk Preservation	4.82
26(D)1-B	Gloucester County - Patriots Walk Preservation	4.67
26(D)1-C	Gloucester County - Patriots Walk Preservation	16.7
26(D)1-D	Gloucester County - Patriots Walk Preservation	21.11
26(D)1-E	Gloucester County - Patriots Walk Preservation	2.77
26(D)1-F	Gloucester County - Patriots Walk Preservation	4.13
26(D)1-G	Gloucester County - Patriots Walk Preservation	4.24
26(D)1-H	Gloucester County - Patriots Walk Preservation	1.1
26(D)1-I	Gloucester County - Patriots Walk Preservation	6.07
26(D)1-J	Gloucester County - Patriots Walk Preservation	16.23
26(D)1-K	Gloucester County - Patriots Walk Preservation	108.66
26(D)1-L	Gloucester County - Patriots Walk Preservation	5.86
26(D)1-M	Gloucester County - Patriots Walk Preservation	25.44
26-96	Middle Peninsula Land Trust	10.983
26-96A	Middle Peninsula Land Trust	4.17
26-96B	Middle Peninsula Land Trust	6.84
32 92A	Virginia Outdoors Foundation	2.33
33 240	Virginia Outdoors Foundation	3.33
33 241	Virginia Outdoors Foundation	7.38
33 243	Virginia Outdoors Foundation	342.57
37-32	Virginia Outdoors Foundation	23.57
37-32A	Virginia Outdoors Foundation	1.03
37H(1)-5	Virginia Outdoors Foundation	5.07
37H(1)-6	Virginia Outdoors Foundation	5.07
37H(2)10	Virginia Outdoors Foundation	3
37H(2)9	Virginia Outdoors Foundation	5.18
40 46	Middle Peninsula Land Trust	37.24
40 48	Middle Peninsula Land Trust	28.35

40 49	Middle Peninsula Land Trust	2
40 51	Middle Peninsula Land Trust	0.25
40 52	Middle Peninsula Land Trust	5
40 53	Middle Peninsula Land Trust	2
40 54	Middle Peninsula Land Trust	3.37
40-43	Middle Peninsula Land Trust	3
40-48A	Middle Peninsula Land Trust	62.73
40-55	Middle Peninsula Land Trust	1.91
44-14	Virginia Outdoors Foundation	15.42
44-8D	Virginia Outdoors Foundation	5.52
44-9	Virginia Outdoors Foundation	4.04
53 63	Virginia Outdoors Foundation	15.34
53 63A	Virginia Outdoors Foundation	5.66
Tax-exempt Land Holdings ***(lands held without easement)***		
Tax Map Number	**Holder**	**Acres**
17 32	Gloucester County - Beaver Dam Reservoir	1472.14
38 87	Department of Conservation and Recreation	173.3
38 87A	Department of Conservation and Recreation	97.59
44 3	Department of Conservation and Recreation	159.92
45 515	Gloucester County- Woodville park	100
45 65; -64 and 44 90; -89; -88; -87	College of William & Mary - CATLETTS ISLAND	1033
46 128	Middle Peninsula Chesapeake Bay Public Access Authority	14
53 258	Virginia Institute of Marine Science (Oak Island)	30
54 2	The Nature Conservancy	194.25

Essex County *(through September 2010)*

Conservation Easements		
Tax Map Number	**Easement Holder**	**Acres**
1-1 (portion)	Virginia Outdoors Foundation	1809.46
3-30	Virginia Outdoors Foundation	90.6
4-1F	Virginia Outdoors Foundation	54.26
4-2	Virginia Outdoors Foundation	1402.3
4-2A	Virginia Outdoors Foundation	133.3
4-2B	Virginia Outdoors Foundation	165.02
4-2C	Virginia Outdoors Foundation	92.15
4-2D	Virginia Outdoors Foundation	301
4-2E	Virginia Outdoors Foundation	5
4-2F	Virginia Outdoors Foundation	110
4-2G	Virginia Outdoors Foundation	852
4-2H	Virginia Outdoors Foundation	10.092
4-3	Virginia Outdoors Foundation	954.02
4-3 (portion)	Virginia Outdoors Foundation	0
6-1F	Department of Historic Resources	46.89
9-38	Virginia Outdoors Foundation	57.5
9-40	Virginia Outdoors Foundation	19.33
9-46	Virginia Outdoors Foundation	57.5
9-28	Virginia Outdoors Foundation	59.22
10-17	Virginia Outdoors Foundation	0.52
11-17	Virginia Outdoors Foundation	173.58
12-1	Virginia Outdoors Foundation	249.76
12-1A	Virginia Outdoors Foundation	65.3
12-1-E	Virginia Outdoors Foundation	449.497
12-1-E (portion)	Virginia Outdoors Foundation	0
12-1-E (portion)	Virginia Outdoors Foundation	0
12-1-E (portion)	Department of Historic Resources	0
12-25A	Department of Historic Resources	2.614
12-25B	Department of Historic Resources	60.503
13-1C (portion)	Virginia Outdoors Foundation	98
13-1D	Virginia Outdoors Foundation	31.5
13-1E	Virginia Outdoors Foundation	76.09
13-11	Virginia Outdoors Foundation	148.25
13-18	Virginia Outdoors Foundation	278.838
13-28	Virginia Outdoors Foundation	261.85
14-1 (portion)	Virginia Outdoors Foundation	911.4
14-1A	Virginia Outdoors Foundation	393
14-1B	Virginia Outdoors Foundation	84.3
14-1C	Virginia Outdoors Foundation	80.9
14-1D (portion)	Virginia Outdoors Foundation	42
14-1E	Virginia Outdoors Foundation	249
14-3	Virginia Outdoors Foundation	419.2
14-4	The Nature Conservancy	208.5
14-4A	The Nature Conservancy	12.5
17-30	Virginia Outdoors Foundation	173.5

18-9	Virginia Outdoors Foundation	189
19-1	Virginia Outdoors Foundation	129
19-2	Virginia Outdoors Foundation	548.132
19-2A	Virginia Outdoors Foundation	123.5
19-79	Virginia Outdoors Foundation	76.67
19-80	Virginia Outdoors Foundation	136.7
20-3	Virginia Outdoors Foundation	454.79
20-3C	Virginia Outdoors Foundation	9.4
20-5 (portion)	The Nature Conservancy	177.5
42-16	Virginia Outdoors Foundation	56.43
42-17	Virginia Outdoors Foundation	37.7
42-21	Virginia Outdoors Foundation	41.25
42-22	Virginia Outdoors Foundation	20
42-34	Virginia Outdoors Foundation	269.6
43-6	Department of Historic Resources	95.095
43-11A	Virginia Outdoors Foundation	53.5
48-1	Middle Peninsula Land Trust	51.694
55-1-1	Friends of Dragon Run	32.02
57-3	Virginia Outdoors Foundation	46.54
61-26	US Fish and Wildlife Service	117
61-5	US Fish and Wildlife Service	101
63-2	The Nature Conservancy	35.23
63-3	The Nature Conservancy	26.18
63-5	The Nature Conservancy	342
63-6	The Nature Conservancy	16.95
Tax-exempt Land Holdings ***(lands held without easement)***		
Tax Map Number	**Holder**	**Acres**
31-5	US Fish and Wildlife Service	7.545
31-61	US Fish and Wildlife Service	719.8
37-168	US Fish and Wildlife Service	244.57
37G-1-12	US Fish and Wildlife Service	1.273
37G-1-13	US Fish and Wildlife Service	1.473
37G-1-14	US Fish and Wildlife Service	1.323
59 1	Middle Peninsula Chesapeake Bay Public Access Authority	65.6
59 1B	Department of Forestry	128.6

King William County *(through September 2010)*

Conservation Easements		
Tax Map Number	**Easement Holder**	**Acres**
52 7, 52 8, 52 9; 52 67	Virginia Outdoors Foundation	907.3
1 2	Virginia Outdoors Foundation	1070
12 24A	Virginia Outdoors Foundation	151.95
12 24G	Virginia Outdoors Foundation	10
12 24H	Virginia Outdoors Foundation	68.9
12 27A	Virginia Outdoors Foundation	5
12 28	Virginia Outdoors Foundation	25
14 11 1	Virginia Outdoors Foundation	5
14 11 3	Virginia Outdoors Foundation	5.64
14 25 and 26	Virginia Outdoors Foundation	496.51
14 25A	Virginia Outdoors Foundation	12.28
14 26A	Virginia Outdoors Foundation	15
3 2A	The Nature Conservancy	72.5
30 22	Virginia Outdoors Foundation	136.96
34 18E	Virginia Outdoors Foundation	117.3
34 8	Virginia Outdoors Foundation	378.87
37 63	Middle Peninsula Land Trust/ Chesapeake Bay Foundation	1.63
44 129A; 52 15; 52 1A-6-22-67	Virginia Outdoors Foundation	1567.24
48 32, -32A, &11A	Department of Forestry	122.71
48 33 &33B	Department of Forestry	61.92
48 34A	Department of Forestry	4.84
48 4	Department of Forestry	408.64
48 4A	Department of Forestry	1.43
5 29E	Virginia Outdoors Foundation	488
52 1A	Virginia Outdoors Foundation	46.54
53 2	The Nature Conservancy	20.64
7 24	Department of Historic Resources	581.56
7 32 A	The Nature Conservancy	97.52
part of 32 4	Natural Resource Conservation Services	430
Tax-exempt Land Holdings ***(lands held without easement)***		
Tax Map Number	**Holder**	**Acres**
15 2A	Department of Forestry - Zoars	51.5
15 6	Department of Forestry - Zoars	311.5
22 51	Department of Forestry (Zoar)	3.25
22 55	Department of Forestry (Zoar)	1
38 30	The Nature Conservancy	12.5
39 10	Department of Forestry	34.37
39 14	Department of Forestry	18.75
39 18	Department of Forestry	75
39 21	Department of Forestry/The Nature Conservancy	1090.02
39 21A	Department of Forestry	143.1
39 21B	Department of Forestry	300.9
39 7	Department of Forestry	412.9
39 9	Department of Forestry	20.3
47 42	Department of Forestry	155

King & Queen County *(through September 2010)*

Conservation Easements		
Tax Map Number	**Easement Holder**	**Acres**
1623-138L 1357	PHASE II_ The Nature Conservancy	210.5
1623-158L 765	PHASE II_ The Nature Conservancy	420
1623-158L 767	PHASE II_ The Nature Conservancy	77.75
1623-158L 771	PHASE II_ The Nature Conservancy	22.5
1623-158L 773A	PHASE II_ The Nature Conservancy	17
1623-159L 760A	PHASE II_ The Nature Conservancy	50
1623-159L 762	PHASE II_ The Nature Conservancy	91.5
1623-159L 813	PHASE II_ The Nature Conservancy	100
1623-159R 748A	PHASE II_ The Nature Conservancy	30.5
1623-159R 749	PHASE II_ The Nature Conservancy	209.25
1623-160R 706	PHASE II_ The Nature Conservancy	844.5
1623-160R 713	PHASE II_ The Nature Conservancy	12.25
1623-162L 921	PHASE II_ The Nature Conservancy	71.25
1623-162L 929	PHASE II_ The Nature Conservancy	177
1624-31L 7	PHASE II_ The Nature Conservancy	49.25
1624-31L 944	PHASE II_ The Nature Conservancy	198.75
1624-31L 961	PHASE II_ The Nature Conservancy	115.2
1624-32L 918	PHASE II_ The Nature Conservancy	58.5
1624-33L 1057	PHASE II_ The Nature Conservancy	53.5
1624-33L 1059	PHASE II_ The Nature Conservancy	23
1624-33R 809	PHASE II_ The Nature Conservancy	51.75
1624-33R 822	PHASE II_ The Nature Conservancy	68.5
1624-34L 349	PHASE II_ The Nature Conservancy	3,928.25
1624-34R 783	PHASE II_ The Nature Conservancy	151.5
1624-34R 789	PHASE II_ The Nature Conservancy	98
1624-34R 794	PHASE II_ The Nature Conservancy	102.5
1624-34R 795	PHASE II_ The Nature Conservancy	102.75
1624-35L 318A	PHASE II_ The Nature Conservancy	38.25
1624-35L 600	PHASE II_ The Nature Conservancy	624.75
1624-35L 608	PHASE II_ The Nature Conservancy	81.5
1624-35L 610	PHASE II_ The Nature Conservancy	86
1624-35R 616	PHASE II_ The Nature Conservancy	482.5
1624-35R 627	PHASE II_ The Nature Conservancy	103.5
1624-35R 628	PHASE II_ The Nature Conservancy	90
1624-35R 629	PHASE II_ The Nature Conservancy	102
1624-35R 630	PHASE II_ The Nature Conservancy	50
1624-35R 801A	PHASE II_ The Nature Conservancy	3.5
1624-50R 309	PHASE II_ The Nature Conservancy	223
1624-51R 404	PHASE II_ The Nature Conservancy	97.75
1624-51R 405	PHASE II_ The Nature Conservancy	267
1624-51R 411B	PHASE II_ The Nature Conservancy	45.75

1624-52R 547	PHASE II_ The Nature Conservancy	83.5
1624-52R 548	PHASE II_ The Nature Conservancy	25.5
1624-52R 570	PHASE II_ The Nature Conservancy	122
1624-52R 991	PHASE II_ The Nature Conservancy	242
1624-53L-72	PHASE II_ The Nature Conservancy	750
1624-53R 1000	PHASE II_ The Nature Conservancy	101.25
1624-53R 1016A	PHASE II_ The Nature Conservancy	29.5
1624-53R 547A	PHASE II_ The Nature Conservancy	48.75
1624-53R 571	PHASE II_ The Nature Conservancy	115.75
1624-53R 998	PHASE II_ The Nature Conservancy	30.25
1624-53R 999	PHASE II_ The Nature Conservancy	45
23-138L-1289	Virginia Outdoors Foundation	59.75
23-138L-1291A	Virginia Outdoors Foundation –Friends of Dragon Run	73.75
23-138L-1292	Virginia Outdoors Foundation	105.5
23-138R 1284	Virginia Outdoors Foundation –Friends of Dragon Run	47
23-138R-1281	*Transferred- current holder unknown*	251
23-139L-1302	Virginia Outdoors Foundation	54.75
23-159R-748	Virginia Outdoors Foundation	52.5
24-35R-625A	Virginia Outdoors Foundation	101
24-50L-470	Department of Game and Inland Fisheries	52
24-51L 473	Department of Game and Inland Fisheries	89.75
24-51L 475	Department of Game and Inland Fisheries	85.5
24-51L-441	Department of Game and Inland Fisheries	66.5
24-51L-441C	Department of Game and Inland Fisheries	16.75
24-51L-482A	Department of Game and Inland Fisheries	66
24-51L-489	Department of Game and Inland Fisheries	2.75
24-51L-490	Department of Game and Inland Fisheries	47
24-51L-491	Department of Game and Inland Fisheries	10
24-51L-492	Department of Game and Inland Fisheries	68
24-51L-493	Department of Game and Inland Fisheries	5.5
24-51L-494	Department of Game and Inland Fisheries	22
24-51L-495	Department of Game and Inland Fisheries	35.5
24-51L-496	Department of Game and Inland Fisheries	5
24-51L-497	Department of Game and Inland Fisheries	53.5
24-51L-498	Department of Game and Inland Fisheries	2
24-51R-372	Department of Game and Inland Fisheries	123.5
25-41R 175	Virginia Outdoors Foundation	123.25
25-41R-483	Department of Game and Inland Fisheries	369.5
25-41R-485A	Department of Game and Inland Fisheries	20
25-42L-207B	Virginia Outdoors Foundation	152.75
25-42L-313	Virginia Outdoors Foundation	192.5
25-42L-313A	Virginia Outdoors Foundation	20
25-42R-458	Department of Game and Inland Fisheries	151.5
25-44L-341	Middle Peninsula Land Trust	5.5
32-11R-244B	Virginia Outdoors Foundation	32.5

32-11R-527A	Virginia Outdoors Foundation	37.5
32-11R-528	Virginia Outdoors Foundation	35
32-11R-528A	Virginia Outdoors Foundation	21.25
32-12L-246B	Virginia Outdoors Foundation	3.5
32-12R-244	Virginia Outdoors Foundation	181.5
32-12R-245A	Virginia Outdoors Foundation	75
32-52R 145	The Nature Conservancy	50
32-58L 1060	Middle Peninsula Land Trust/Chesapeake Bay Foundation - Indian neck	113.5
32-76R-1160	*Transferred- current holder unknown*	32.75
32-76R-1161	*Transferred- current holder unknown*	35
32-76R-1162	Virginia Outdoors Foundation	156
32-76R-1162A	Virginia Outdoors Foundation	3
32-7R-1005	Virginia Outdoors Foundation	115
32-7R-1016	Virginia Outdoors Foundation	60
32-7R-1020	Virginia Outdoors Foundation	199
Tax-exempt Land Holdings ***(lands held without easement)***		
Tax Map Number	**Holder**	**Acres**
23 133L 411	Department of Forestry	120
23 133L 412	Department of Forestry	200
23 137L 1247	Department of Forestry- Dragon Run State Forest	115.5
23 137L 1249	Department of Forestry- Dragon Run State Forest	45.2
23 137L 1360	Department of Forestry- Dragon Run State Forest	159.25
23 137R 1263	Virginia Institute of Marine Sciences	121.5
23 139L 1302A	Middle Peninsula Chesapeake Bay Public Access Authority	1
23 139L 1302A1	Middle Peninsula Chesapeake Bay Public Access Authority	1
23 159L 836	Department of Forestry	24.75
23 159L 841	Department of Forestry	130.5
23 160L 1313	Department of Forestry- Dragon Run State Forest	25.75
23 160L 1314	Department of Forestry- Dragon Run State Forest	20
23 160L 1315	Department of Forestry- Dragon Run State Forest	51.75
23 160L 1372	Department of Forestry- Dragon Run State Forest	43
23 161L 1321	Department of Forestry- Dragon Run State Forest	79.75
23 161L 1427	Department of Forestry- Dragon Run State Forest	861.25
23 161L 1437	Department of Forestry- Dragon Run State Forest	220
23 161L 1437A	Department of Forestry	16.75
23 161L 1467	Department of Forestry- Dragon Run State Forest	69.75
23 161L 1468D	Department of Forestry	10.25
23 161R 1296A	Department of Forestry- Dragon Run State Forest	1616.5
23 161R 1303	Department of Forestry- Dragon Run State Forest	790.5
23 162L 1436	Department of Forestry- Dragon Run State Forest	149.75
23 162R 1241	Department of Forestry- Dragon Run State Forest	402.25
23 162R 1244	Department of Forestry- Dragon Run State Forest	162.5

23 162R 1366	Department of Forestry- Dragon Run State Forest	182.5
23 162R 1377	Department of Forestry- Dragon Run State Forest	794.25
23 32L 933	The Nature Conservancy	104.5
23 32R 828	Department of Forestry	415.25
23 63L 1147C	The Nature Conservancy	51
23 63L 1147D	The Nature Conservancy	57.25
23-139L 1297	Virginia Outdoors Foundation - Middle Peninsula Chesapeake Bay Public Access Authority	232
23-139L 1302B	Middle Peninsula Chesapeake Bay Public Access Authority	212.11
23-157L-645	Middle Peninsula Chesapeake Bay Public Access Authority -Brown Tract	62.75
23-160L 861	Virginia Outdoor Foundation- Department of Forestry- Dragon Run State Forest	17.5
23-160L 871	Virginia Outdoor Foundation- Department of Forestry- Dragon Run State Forest	37.25
23-160L-1468C	Virginia Outdoor Foundation- Department of Forestry- Dragon Run State Forest	40.5
23-160L-731	Department of Forestry- Dragon Run State Forest	42
23-160L-853	Virginia Outdoor Foundation- Department of Forestry- Dragon Run State Forest	167
23-160L-854	Virginia Outdoor Foundation- Department of Forestry- Dragon Run State Forest	273
23-160L-858	Virginia Outdoor Foundation- Department of Forestry- Dragon Run State Forest	360.25
23-160L-860	Virginia Outdoor Foundation- Department of Forestry- Dragon Run State Forest	14.75
23-63L 1138	Middle Peninsula Chesapeake Bay Public Access Authority	167.19
24 31R 1451	Department of Forestry- Dragon Run State Forest	142.5
24 31R 1452	Department of Forestry	23
24 31R 1453	Department of Forestry- Dragon Run State Forest	89
24 31R 1455	Department of Forestry- Dragon Run State Forest	279
24 31R 1457	Department of Forestry	23
24 31R 1459	Department of Forestry- Dragon Run State Forest	30
24 31R 1460	Department of Forestry- Dragon Run State Forest	91
24 31R 1462	Department of Forestry	10.5
24 31R 1463	Department of Forestry	9
24 31R 1465	Department of Forestry- Dragon Run State Forest	69
24 31R 1468A	Department of Forestry- Dragon Run State Forest	93.75
24 31R 944A	Department of Forestry	5
24 31R 961	Department of Forestry- Dragon Run State Forest	118
24 31R 969	Department of Forestry- Dragon Run State Forest	143.75
24 32R 1458A	Department of Forestry	20
24 32R 877	Department of Forestry	197.5

24 32R 933A	Department of Forestry	21
24 33R 827	Department of Forestry	37.5
24 32R 882	The Nature Conservancy	27.5
24 33L 576	The Nature Conservancy	67.25
24-32R 880	The Nature Conservancy	479
24-32R 916	The Nature Conservancy	537
24-32R -921	The Nature Conservancy	62
24-32R -924	The Nature Conservancy	12.5
24-32R -925	The Nature Conservancy	102
24-32R-863	Virginia Outdoor Foundation- Department of Forestry- Dragon Run State Forest	700
24-32R-865	Department of Forestry- Dragon Run State Forest	2.75
24-32R-868	Virginia Outdoor Foundation- Department of Forestry- Dragon Run State Forest	85.5
24-33L -1062	The Nature Conservancy	210
24-33L-975	The Nature Conservancy	175
25 41R 484A	Department of Forestry	325
25- 41R 486	Department of Game and Inland Fisheries - Fish Hatchery	111.75
32-52X 137B	The Nature Conservancy	2

Mathews County *(through September 2010)*

Conservation Easements		
Tax Map Number	**Easement Holder**	**Acres**
24 A 112	Virginia Outdoors Foundation	36.25
24B 5 2	Virginia Outdoors Foundation	1.01
3 1 A	Middle Peninsula Land Trust	38.08
31 A 116B; 31 A 200	Middle Peninsula Land Trust	21
35 8 18	Middle Peninsula Land Trust /The Nature Conservancy	39.33
35 A 40	Virginia Outdoors Foundation	17.29
36 16 1	Middle Peninsula Land Trust /The Nature Conservancy	4.7
36 16 2	Middle Peninsula Land Trust /The Nature Conservancy	18.65
36 16 3	Middle Peninsula Land Trust /The Nature Conservancy	14.85
40 A 119	Middle Peninsula Land Trust /Chesapeake Bay Foundation	40
40 A 120	Middle Peninsula Land Trust /Chesapeake Bay Foundation	40
40 A 121	Middle Peninsula Land Trust /Chesapeake Bay Foundation	12.6
40 A 125	Middle Peninsula Land Trust /Chesapeake Bay Foundation	28
40 A 125A	Middle Peninsula Land Trust /Chesapeake Bay Foundation	6.7
40B 1 2	Middle Peninsula Land Trust /Chesapeake Bay Foundation	8.5
40B 1 3	Middle Peninsula Land Trust /Chesapeake Bay Foundation	3.7
40B 1 4	Middle Peninsula Land Trust /Chesapeake Bay Foundation	2.4
40B 1 5	Middle Peninsula Land Trust /Chesapeake Bay Foundation	1.6
43 A 42	Middle Peninsula Land Trust	9.6
43 A 43	Middle Peninsula Land Trust	14.94
Tax-exempt Land Holdings ***(lands held without easement)***		
Tax Map Number	**Holder**	**Acres**
13 10 1	Mathews County Land Conservancy	8.1
31 A 167	Department of Conservation and Recreation - Bethel Beach	21.25
31 A 205	Department of Conservation and Recreation - Bethel Beach	43
31 A 207	Department of Conservation and Recreation - Bethel Beach	35.62
36 14 3	Middle Peninsula Land Trust	2.52
36 14 4	Middle Peninsula Land Trust	2.53
44 A 16	The Nature Conservancy	78.45
44 A 19	The Nature Conservancy	16.5
44 A 28; 44 A 30; 44 1 3; 44 A 9	The Nature Conservancy	35.28
44 A 28; 44 A 30; 44 1 3; 44 A 9	The Nature Conservancy	35.28
44B 6 5 65, to -68	The Nature Conservancy	3.25
44B 6 5 72	The Nature Conservancy	0.5
44B 6 5 72	The Nature Conservancy	0.5
44B 6 6 59 to -62	The Nature Conservancy	2
44B 6 8 100, -101, -102	The Nature Conservancy	3.25
44B 6 8 100, -101, -102	The Nature Conservancy	3.25
44B 6 A 1 A; 44 B 6 7 76, to -81 and -84 to -90, -91, -93, -94; 44B 6 6 66, -55, -54, -57, -58; 44B 610 127, -128, -130; 44B 6 9 120, - 119, -118, -106, -107, -108, -115; 44B 611 135, to -139	The Nature Conservancy	10.25

44B 6 A 1 A; 44 B 6 7 76, to -81 and -84 to -90, -91, -93, -94; 44B 6 6 66, -55, -54, -57, -58; 44B 610 127, -128, -130; 44B 6 9 120, - 119, -118, -106, -107, -108, -115; 44B 611 135, to -139	The Nature Conservancy	10.25
45 A 2; -3	Mathews County	50

Appendix 3 – Virginia Conservation Easement Act: Taxation Code

§ 10.1-1011. Taxation.

A. Where an easement held pursuant to this chapter or the Open-Space Land Act (§ 10.1-1700 et seq.) by its terms is perpetual, neither the interest of the holder of a conservation easement nor a third-party right of enforcement of such an easement shall be subject to state or local taxation nor shall the owner of the fee be taxed for the interest of the holder of the easement.

B. Assessments of the fee interest in land that is subject to a perpetual conservation easement held pursuant to this chapter or the Open-Space Land Act (§ 10.1-1700 et seq.) shall reflect the reduction in the fair market value of the land that results from the inability of the owner of the fee to use such property for uses terminated by the easement. To ensure that the owner of the fee is not taxed on the value of the interest of the holder of the easement, the fair market value of such land (i) shall be based only on uses of the land that are permitted under the terms of the easement and (ii) shall not include any value attributable to the uses or potential uses of the land that have been terminated by the easement.

C. Notwithstanding the provisions of subsection B, land which is (i) subject to a perpetual conservation easement held pursuant to this chapter or the Open-Space Land Act (§ 10.1-1700 et seq.), (ii) devoted to open-space use as defined in § 58.1-3230, and (iii) in any county, city or town which has provided for land use assessment and taxation of any class of land within its jurisdiction pursuant to § 58.1-3231 or § 58.1-3232, shall be assessed and taxed at the use value for open space, if the land otherwise qualifies for such assessment at the time the easement is dedicated. If an easement is in existence at the time the locality enacts land use assessment, the easement shall qualify for such assessment. Once the land with the easement qualifies for land use assessment, it shall continue to qualify so long as the locality has land use assessment.

(1988, cc. 720, 891; 1993, c. 390; 1998, c. 487.)

Appendix 4 – Tax-exempt Legislation

VIRGINIA CONSTITUTION, Article X

§ 6. Exempt property

(a) Except as otherwise provided in this Constitution, the following property and no other shall be exempt from taxation, State and local, including inheritance taxes: (1) Property owned directly or indirectly by the Commonwealth or any political subdivision thereof, and obligations of the Commonwealth or any political subdivision thereof exempt by law. (2) Real estate and personal property owned and exclusively occupied or used by churches or religious bodies for religious worship or for the residences of their ministers. (3) Private or public burying grounds or cemeteries, provided the same are not operated for profit. (4) Property owned by public libraries or by institutions of learning not conducted for profit, so long as such property is primarily used for literary, scientific, or educational purposes or purposes incidental thereto. This provision may also apply to leasehold interests in such property as may be provided by general law. (5) Intangible personal property, or any class or classes thereof, as may be exempted in whole or in part by general law. (6) Property used by its owner for religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes, as may be provided by classification or designation by an ordinance adopted by the local governing body and subject to such restrictions and conditions as provided by general law. (7) Land subject to a perpetual easement permitting inundation by water as may be exempted in whole or in part by general law. (b) The General Assembly may by general law authorize the governing body of any county, city, town, or regional government to provide for the exemption from local property taxation, or a portion thereof, within such restrictions and upon such conditions as may be prescribed, of real estate and personal property designed for continuous habitation owned by, and occupied as the sole dwelling of, persons not less than sixty-five years of age or persons permanently and totally disabled as established by general law who are deemed by the General Assembly to be bearing an extraordinary tax burden on said property in relation to their income and financial worth. (c) Except as to property of the Commonwealth, the General Assembly by general law may restrict or condition, in whole or in part, but not extend, any or all of the above exemptions. (d) The General Assembly may define as a separate subject of taxation any property, including real or personal property, equipment, facilities, or devices, used primarily for the purpose of abating or preventing pollution of the atmosphere or waters of the Commonwealth or for the purpose of transferring or storing solar energy, and by general law may allow the governing body of any county, city, town, or regional government to exempt or partially exempt such property from taxation, or by general law may directly exempt or partially exempt such property from taxation. (e) The General Assembly may define as a separate subject of taxation household goods, personal effects and tangible farm property and products, and by general law may allow the governing body of any county, city, town, or regional government to exempt or partially exempt such property from taxation, or by general law may directly exempt or partially exempt such property from taxation. (f) Exemptions of property from taxation as established or authorized hereby shall be strictly construed; provided, however, that all property exempt from taxation on the effective date of this section shall continue to be exempt until otherwise provided by the General Assembly as herein set forth. (g) The General Assembly may by general law authorize any county, city, town, or regional government to impose a service charge upon the owners of a class or classes of exempt property for services provided by such governments. (h) The General Assembly may by general law authorize the governing body of any county, city, town, or regional government to provide for a partial exemption from local real property taxation, within such restrictions and upon such conditions as may be prescribed, of real estate whose improvements, by virtue of age and use, have undergone substantial renovation, rehabilitation or replacement. (i) The General Assembly may by general law allow the governing body of any county, city, or town to exempt or partially exempt from taxation any generating equipment installed after December thirty-one, nineteen hundred seventy-four, for the purpose of converting from oil or natural gas to coal or to wood, wood bark, wood residue, or to any other alternate energy source for manufacturing, and any co-generation equipment installed since such date for use in manufacturing. (j) The General Assembly may by general law allow the governing body of any county, city, or town to have the option to exempt or partially exempt from taxation any business, occupational or professional license or any merchants' capital, or both.

CODE OF VIRGINIA

§ 58.1-3606. Property exempt from taxation by classification

A. Pursuant to the authority granted in Article X, Section 6 (a) (6) of the Constitution of Virginia to exempt property from taxation by classification, the following classes of real and personal property shall be exempt from taxation: 1. Property owned directly or indirectly by the Commonwealth, or any political subdivision thereof. 2. Buildings with land they actually occupy, and the furniture and furnishings therein owned by churches or religious bodies and exclusively occupied or used for religious worship or for the residence of the minister of any church or religious body, and such additional adjacent land reasonably necessary for the convenient use of any such building. 3. Nonprofit private or public burying grounds or cemeteries. 4. Property owned by public libraries, law libraries of local bar associations when the same are used or available for use by a state court or courts or the judge or judges thereof, medical libraries of local medical associations when the same are used or available for use by state health officials, incorporated colleges or other institutions of learning not conducted for profit. This paragraph shall apply only to property primarily used for literary, scientific or educational purposes or purposes incidental thereto and shall not apply to industrial schools which sell their products to other than their own employees or students. 5. Property belonging to and actually and exclusively occupied and used by the Young Men's Christian Associations and similar religious associations, including religious mission boards and associations, orphan or other asylums, reformatories, hospitals and nunneries, conducted not for profit but exclusively as charities (which shall include hospitals operated by nonstock corporations not organized or conducted for profit but which may charge persons able to pay in whole or in part for their care and treatment). 6. Parks or playgrounds held by trustees for the perpetual use of the general public. 7. Buildings with the land they actually occupy, and the furniture and furnishings therein belonging to any benevolent or charitable organization and used by it exclusively for lodge purposes or meeting rooms, together with such additional adjacent land as may be necessary for the convenient use of the buildings for such purposes. 8. Property of any nonprofit corporation organized to establish and maintain a museum. B. Property, belonging in one of the classes listed in subsection A of this section, which was exempt from taxation on July 1, 1971, shall continue to be exempt from taxation under the rules of statutory construction applicable to exempt property prior to such date.

§ 58.1-3607. Property exempt from taxation by designation

A. Pursuant to the authority granted in Article X, Section 6 (a) (6) of the Constitution of Virginia to exempt property from taxation by designation, and notwithstanding the provisions of § 30-19.04, the real and personal property of the following organizations, corporations and associations shall be exempt from taxation: 1. Property of the Association for the Preservation of Virginia Antiquities, the Association for the Preservation of Petersburg Antiquities, Historic Richmond Foundation, the Confederate Memorial Literary Society, the Mount Vernon Ladies' Association of the Union, the Virginia Historical Society, the Thomas Jefferson Memorial Foundation, Incorporated, the Patrick Henry Memorial Foundation, Incorporated, the Stonewall Jackson Memorial, Incorporated, George Washington's Fredericksburg Foundation, Home Demonstration Clubs, 4-H Clubs, the Future Farmers of America, Incorporated, the posts of the American Legion, posts of United Spanish War Veterans, branches of the Fleet Reserve Association, posts of Veterans of Foreign Wars, posts of the Disabled American Veterans, Veterans of World War I, USA, Incorporated, the Society of the Cincinnati in the State of Virginia, the Manassas Battlefield Confederate Park, Incorporated, the Robert E. Lee Memorial Foundation, Incorporated, the Virginia Division of the United Daughters of the Confederacy, the General Organization of the United Daughters of the Confederacy, the Memorial Foundation of the Germanna Colonies in Virginia, Incorporated, the Lynchburg Fine Arts Centers, Incorporated, Norfolk Historic Foundation, National Trust for Historic Preservation in the United States, Historic Alexandria Foundation, and the Lynchburg Historical Foundation. 2. Property of Colonial Williamsburg, Incorporated, used for museum, historical, municipal, benevolent or charitable purposes, as long as such corporation continues to be organized and operated not for profit. 3. Property owned by the Virginia Home (previously Virginia Home for

Incurables), incorporated by Chapter 533 of the Acts of Assembly of 1893-4, approved March 1, 1894. 4. The property owned by the Waterford Foundation, Incorporated, so long as it continues to be a nonprofit corporation to encourage and assist in restoration work in Waterford and to stimulate the revival of local arts and crafts. 5. Property of Historic Fredericksburg, Incorporated, and of the Clarke County Historical Association, used by such organizations for historical, benevolent or charitable purposes, as long as such corporation continues to be organized and operated not for profit.

6. Property of the Westmoreland Davis Foundation, Inc., so long as it continues to be a nonprofit corporation. 7. Property owned by the Women's Home Incorporated, in Arlington County and used for the rehabilitation of alcoholic women, so long as it continues to be operated not for profit. B. Property designated to be exempt from taxation in subsection A of this section which was exempt on July 1, 1971, shall continue to be exempt under the rules of statutory construction applicable to exempt property prior to such date.

§ 58.1-3609. Post-1971 property exempt from taxation by classification

A. The real and personal property of an organization classified in §§ 58.1-3610 through 58.1-3621 and used by such organization for a religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purpose as set forth in Article X, Section 6 (a) (6) of the Constitution of Virginia, the particular purpose for which such organization is classified being specifically set forth within each section, shall be exempt from taxation, so long as such organization is operated not for profit and the property so exempt is used in accordance with the purpose for which the organization is classified. The real and personal property of an organization classified in § 58.1-3622 and used by such organization for charitable and benevolent purposes as set forth in Article X, Section 6 (a) (6) of the Constitution of Virginia shall be exempt from taxation so long as the local governing body in which the property is located passes a resolution approving such exemption and the organization satisfies the other requirements in this subsection. B. Exemptions of property from taxation under this article shall be strictly construed in accordance with Article X, Section 6 (f) of the Constitution of Virginia.

§ 58.1-3610. Volunteer fire departments and rescue squads

Volunteer fire departments and volunteer rescue squads which operate exclusively for the benefit of the general public without charge are hereby classified as charitable organizations.

§ 58.1-3611. Certain boys and girls clubs

Boys clubs affiliated with the Boys Clubs of America, Inc., and girls clubs affiliated with the Girls Club of America, Inc., are hereby classified as charitable organizations.

§ 58.1-3612. Auxiliaries of the Veterans of World War I

Auxiliaries of the Veterans of World War I, USA, Incorporated, are hereby classified as patriotic, historical and benevolent organizations.

§ 58.1-3613. Societies for the Prevention of Cruelty to Animals

Societies for the Prevention of Cruelty to Animals are hereby classified as charitable organizations.

§ 58.1-3614. Boy Scouts and Girl Scouts of America

The Boy Scouts of America, Girl Scouts of the United States of America, and their subsidiaries are hereby classified as charitable and benevolent organizations.

§ 58.1-3615. Home Demonstration Clubs, 4-H Clubs and Future Farmers of America, Inc

The Home Demonstration Clubs, 4-H Clubs, and the Future Farmers of America, Incorporated, are hereby classified as patriotic and benevolent organizations.

§ 58.1-3616. American National Red Cross

The American National Red Cross and local chapters thereof are hereby classified as charitable organizations.

§ 58.1-3617. Churches, religious associations or denominations

Any church, religious association or religious denomination operated exclusively on a nonprofit basis for charitable, religious or educational purposes is hereby classified as a religious and charitable organization. Notwithstanding § 58.1-3609, only property of such association or denomination used exclusively for charitable, religious or educational purposes shall be so exempt from taxation. Motor vehicles owned or leased by churches and used predominantly for church purposes, are hereby classified as property used by its owner for religious purposes. For purposes of this section, property of a church, religious association or religious denomination owned or leased in the name of a duly designated ecclesiastical officer or of a trustee shall be deemed to be owned by such church, association or denomination.

§ 58.1-3618. College alumni associations and foundations

Incorporated alumni associations operated exclusively on a nonprofit basis for the benefit of colleges or other institutions of learning located in Virginia, and incorporated charitable foundations conducted not for profit, the total income from which is used exclusively for literary, scientific or educational purposes, are hereby classified as charitable and cultural organizations.

§ 58.1-3619. The State Future Farmers of America, Future Homemakers of America and Future Business Leaders of America

A. The Future Farmers of America, the Future Homemakers of America, and local affiliates or subsidiaries thereof, located throughout the Commonwealth, are hereby classified as benevolent organizations. The tax exemption provided in this subsection shall be limited to the J. R. Thomas Camp, located in Chesterfield County and owned by the Future Farmers of America, the Future Homemakers of America and the local affiliates or subsidiaries thereof. B. The Future Business Leaders of America, the Future Homemakers of America, and local affiliates or subsidiaries thereof, located throughout the Commonwealth, are hereby classified as benevolent organizations. Except as otherwise may be provided by this article, the tax exemption provided herein shall be limited to property owned by either the Future Business Leaders of America or the Future Homemakers of America which is located in Fairfax County.

§ 58.1-3621. Farm club associations

Incorporated associations operated for the purpose of sponsoring and operating a county fair for the display of agricultural products, the display and grading of farm animals and the enjoyment of the general public in Virginia are hereby classified as charitable associations.

§ 58.1-3622. Habitat for Humanity and local affiliates or subsidiaries thereof

Habitat for Humanity and local affiliates or subsidiaries thereof are hereby classified as charitable and benevolent organizations.

§ 58.1-3650. Post-1971 property exempt from taxation by designation

A. The real and personal property of an organization designated by a section within this article and used by such organization exclusively for a religious, charitable, patriotic, historical, benevolent, cultural or public park and playground purpose as set forth in Article X, Section 6 (a) (6) of the Constitution of Virginia, the particular purpose for which such organization is classified being specifically set forth within each section, shall be exempt from taxation so long as such organization is operated not for profit and the property so exempt is used in accordance with the purpose for which the organization is classified. In addition, such exemption may be revoked in accordance with the provisions of § 58.1-3605. B. Exemptions of property from taxation under this article shall be strictly construed in accordance with the provisions of Article X, Section 6 (f) of the Constitution of Virginia.

§§ 58.1-3650.1 through 58.1-3650.1000

NOTE: These sections, which exempt various individually designated properties from taxation, are not set out.

§ 58.1-3651. Property exempt from taxation by classification or designation by ordinance adopted by local governing body on or after January 1, 2003 [as amended; 2004]

A. Pursuant to subsection 6 (a) (6) of Article X of the Constitution of Virginia, on and after January 1, 2003, any county, city, or town may by designation or classification exempt from real or personal property taxes, or both, by ordinance adopted by the local governing body, the real or personal property, or both, owned by a nonprofit organization that uses such property for religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes. The ordinance shall state the specific use on which the exemption is based, and continuance of the exemption shall be contingent on the continued use of the property in accordance with the purpose for which the organization is classified or designated. No exemption shall be provided to any organization that has any rule, regulation, policy, or practice that unlawfully discriminates on the basis of religious conviction, race, color, sex, or national origin.

B. Any ordinance exempting property by designation pursuant to subsection A shall be adopted only after holding a public hearing with respect thereto, at which citizens shall have an opportunity to be heard. The local governing body shall publish notice of the hearing once in a newspaper of general circulation in the county, city, or town where the real property is located. The notice shall include the assessed value of the real and tangible personal property for which an exemption is requested as well as the property taxes assessed against such property. The public hearing shall not be held until at least five days after the notice is published in the newspaper. The local governing body shall collect the cost of publication from the organization requesting the property tax exemption. Before adopting any such ordinance the governing body shall consider the following questions:

1. Whether the organization is exempt from taxation pursuant to § 501 (c) of the Internal Revenue Code of 1954;

2. Whether a current annual alcoholic beverage license for serving alcoholic beverages has been issued by the Virginia Alcoholic Beverage Control Board to such organization, for use on such property;

3. Whether any director, officer, or employee of the organization is paid compensation in excess of a reasonable allowance for salaries or other compensation for personal services which such director, officer, or employee actually renders;

4. Whether any part of the net earnings of such organization inures to the benefit of any individual, and whether any significant portion of the service provided by such organization is generated by funds received from donations, contributions, or local, state or federal grants. As used in this subsection, donations shall include the providing of personal services or the contribution of in-kind or other material services;

5. Whether the organization provides services for the common good of the public;

6. Whether a substantial part of the activities of the organization involves carrying on propaganda, or otherwise attempting to influence legislation and whether the organization participates in, or intervenes in, any political campaign on behalf of any candidate for public office;

7. The revenue impact to the locality and its taxpayers of exempting the property; and

8. Any other criteria, facts and circumstances that the governing body deems pertinent to the adoption of such ordinance.

C. Any ordinance exempting property by classification pursuant to subsection A shall be adopted only after holding a public hearing with respect thereto, at which citizens shall have an opportunity to be heard. The local governing body shall publish notice of the hearing once in a newspaper of general circulation in

the county, city, or town. The public hearing shall not be held until at least five days after the notice is published in the newspaper.

D. Exemptions of property from taxation under this article shall be strictly construed in accordance with Article X, Section 6 (f) of the Constitution of Virginia.

E. Nothing in this section or in any ordinance adopted pursuant to this section shall affect the validity of either a classification exemption or a designation exemption granted by the General Assembly prior to January 1, 2003, pursuant to Article 2 (§ 58.1-3606 et seq.), 3 (§ 58.1-3609 et seq.) or 4 (§ 58.1-3650 et seq.) of this chapter. An exemption granted pursuant to Article 4 (§ 58.1-3650 et seq.) of this chapter may be revoked in accordance with the provisions of § 58.1-3605.

Appendix 5 - Middle Peninsula Chesapeake Bay Public Access Authority (MPCBPAA) Enabling Legislation: Tax Liability

§ 15.2-6617. Taxation.

The exercise of the powers granted by this act shall in all respects be presumed to be for the benefit of the inhabitants of the Commonwealth, for the increase of their commerce, and for the promotion of their health, safety, welfare, convenience and prosperity, and as the operation and maintenance of any project that the Authority is authorized to undertake will constitute the performance of an essential governmental function, the Authority shall not be required to pay any taxes or assessments upon any facilities acquired and constructed by it under the provisions of this act and the bonds issued under the provisions of this act, their transfer and the income therefrom including any profit made on the sale thereof, shall at all times be free and exempt from taxation by the Commonwealth and by any political subdivision thereof. Persons, firms, partnerships, associations, corporations, and organizations leasing property of the Authority or doing business on property of the Authority shall be subject to and liable for payment of all applicable taxes of the political subdivision in which such leased property lies or in which business is conducted including, but not limited to, any leasehold tax on real property and taxes on hotel and motel rooms, taxes on the sale of tobacco products, taxes on the sale of meals and beverages, privilege taxes and local general retail sales and use taxes, taxes to be paid on licenses in respect to any business, profession, vocation or calling, and taxes upon consumers of gas, electricity, telephone, and other public utility services.