

Posted on Thu, Mar. 23, 2006

'Rent-a-cow' racket still alive and well

OUR OPINION: GREENBELT TAX LOOPHOLES GET A LEGISLATIVE PASS

Taking an "if life hands you lemons make lemonade" approach, supporters of reforms to the state's greenbelt law lamely tried to spin defeat into a victory of sorts this week when the Senate Agricultural Committee cast the proposal into the legislative limbo known as "further study."

The goal of the Greenbelt law is to help farmers stay in business by reducing their property taxes. Fair enough, but the law is written loosely enough to allow plenty of abuse.

Huge tax deductions

In areas of the state experiencing development booms, developers and land speculators take advantage the law's flaws in order to get six-figure tax reductions. They merely keep cows or crops on the land, in some cases receiving the agricultural deduction even after breaking ground for construction. A 2005 Miami Herald investigation found abuse of the greenbelt law especially prevalent in South Florida.

Nevertheless, on Tuesday, Sen. Steve Geller, D-Hallandale Beach, saw his modest reform plan pushed aside for more study in the only legislative committee that will hear proposals to change the 1959 law. Mr. Geller's proposal would have allowed land owners to keep receiving agricultural tax breaks until building permits are issued. Even that was too much for state Sen. Rod Smith, D-Gainesville, chairman of the agriculture committee and Democratic candidate for governor. That doomed Rep. Zapata's much tougher measure, which would have cut off tax breaks once a landowner applied for a subdivision plat, a land-use change or water or sewer services.

So the would-be reformers who want to put a stop to the "rent-a-cow" racket, as Mr. Geller calls it, swallowed hard and made the best of it. There is some truth in their hope that just keeping the issue alive by "studying it" could bring eventual passage. Some proposed laws take years to gain enough understanding and support to pass muster in the Legislature.

Still, couldn't Messrs. Geller and Zapata and their supporters have made more compelling arguments by exposing more lawmakers to the facts? By telling lawmakers from other urban communities to examine their own back yards? After all, South Florida isn't the only region with high construction rates.

Demands of new growth

The same is happening on Florida's West Coast, in the Orlando area and around Jacksonville. Rural land is being gobbled up by speculators and developers all over the state. The greenbelt loophole gives these landowners tax cuts that hurt the bottom lines of local governments, which are struggling to build the infrastructure to meet the demands of all that new growth.

Leaving the loopholes in the outdated, poorly constructed greenbelt law in the middle of a statewide construction boom makes about as much sense as inviting perfect strangers to use your credit card for a week.