

POLICY STATEMENT

In light of the following considerations, the Northampton County Board of Supervisors does not anticipate the ability to approve new or additions to existing Agricultural and Forestal Districts (AFDs) for the 2012 Tax Year (window for applications: January 15 – February 15, 2011).

- (1) There is little or no expected growth in revenues for the upcoming year.
- (2) The Fiscal Year 2010 and Fiscal Year 2011 annual budgets have contained substantial funding identified as American Recovery and Reinvestment Act (ARRA) to supplant state and federal funding for education and public safety; said funding expires at the end of Fiscal Year 2011 and there is no indication that the state or federal budgets will be able to resume their full funding obligations to localities.
- (3) Eastern Shore Regional Jail debt remains a significant liability.
- (4) General uncertainty of the economic environment.
- (5) County's reliance on real estate property tax revenues and the trend of becoming more reliant on real estate taxes which would be affected by revenue losses from the approval of additional AFDs. For tax year 2010, residential and raw land assessed values make up 93.7% of total real estate values compared to 88.9% in 1999. Residential real estate values have increased at almost three times the rate of commercial real estate values over the same time period. Some localities strive to achieve a 70-30 ratio between residential and commercial/industrial tax bases as a benchmark.

The Board of Supervisors is in the process of developing an evaluation system for future years to include factors as outlined in Code of Virginia 15.2-4306.

Although by law, applications for AFDs must continue to be accepted, applicants should apply only after careful consideration of the foregoing factors.

Adopted by the Board on November 10, 2010 (to serve as an addendum to the Policy adopted August 2009)