

Incentive Tax League

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President: Richard L. Biddle Vice-President: Donald E. Hurford Sec.-Treas. & Counsel: Patricia A. Lowe

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Attention of Mr. Willis Passmore, Chairman

Governor's Advisory Committee on Farmland Preservation
Office of Management, Budget and Planning
P.O. Box 1401, Dover, Delaware 19901

Gentlemen:

It should be apparent by now that the only "farmers" (urban or rural) who are getting the greatest return on their land are the speculators harvesting mainly higher land prices ... while keeping their land virtually out of use and thereby causing spiraling land values, urban decay, suburban and exurban sprawl, and the increasing loss of prime farmland.

The Incentive Tax League of Delaware Valley agrees with the Delaware Farm Bureau in endorsing the concept of "concentric development" of urban areas, and in the belief that more complete and compact use of urban land would greatly relieve much of the speculative pressure now causing our farmlands to vanish.

We also believe that unless this speculative pressure is reduced the proposed protective umbrella of exclusive agricultural districts may prove an illusion; that with effective reduction of speculation they should be unnecessary.

Land speculation and sprawl can be stopped by reversing the factors now making it so attractive and profitable. And the main factor is our upside-down real estate tax practice that taxes buildings and improvements too highly, while taxing land values much too lightly. So concludes a July 1980 report on "COMPACT CITIES" by the Subcommittee On The City of the U.S. House Committee on Banking, Finance and Urban Affairs (copy enclosed).

Your attention is invited to the following pages and chapters: pg 7, "Invasion of Farmland"; pg 10, "Waste of Productive Urban Land"; pg 60, "Speculation and Property Taxation: How a major Cause of Sprawl Can Be Turned Around"; and pg 79, "Containing Sprawl by Opening the In-City Frontier". Note especially Table 2 on pg 62 showing that Delaware ranks 9th among the nation's 50 states in having the lowest per capita property taxes, indicating that we may thereby be making it a land speculator's golden paradise.

While the Subcommittee's findings and suggestions are many and thought-provoking, we believe that their recommendations numbered 26, 28 and 32 (which entail a minimum of government involvement and a maximum use of the free market, would be vital to any comprehensive strategy for compact urban revitalization, reversal of sprawl and farmland preservation.

The League would be most happy to assist the Committee in any way.

Sincerely, *Frank E. Nelson*
Frank E. Nelson Del. Rep. 18 Eberly Dr. Newark, Del. 19711
County Representatives

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