

Appendix B. What Is Reported?

Each year, final use-value income approach¹ and rental rate approach estimates are provided to the Virginia Department of Taxation. Using an **income approach**, use-value estimates are provided for agricultural and horticultural lands for jurisdictions participating in the Land Use-Value Assessment Program. Using a rental rate approach, use-value estimates are provided for all counties and three cities (Chesapeake, Suffolk, and Virginia Beach).

All jurisdictions that participate in the Land Use-Value Assessment Program receive a brochure with their income-based and rental-rate-based estimated use-values. Included in the brochure are contacts with addresses and phone numbers, as well as the URL for the Land Use-Value Assessment Program website.

Table B-1a lists the estimated use-values of agricultural land for jurisdictions participating in the Land Use-Value Assessment Program. Use-value estimates are shown for each of eight Soil Conservation Service land capability classifications², as well as averages for classes I-IV (average cropland), V-VII (average pastureland), and I-VII (average agricultural land). Class VIII land is not included in any of the averages because it is considered to have practically no agricultural value. As an example, table B-1a (selected jurisdictions) is provided in this section.

Using estimates by soil classification can help improve equity in the tax system when data are available on land composition of individual land tracts within a jurisdiction. However, when capability classification acreage data are not available, the average estimates for cropland, pastureland, or total land should be used. At the discretion of the assessing officer, the pastureland use-value may be applied to land in any class that is strictly used for grazing.

Separate use-value estimates are reported for land not at risk of flooding (without risk) and land at risk of flooding (with risk). The with-risk values should only be employed when an individual land tract is known to have poor drainage that cannot be corrected by tiling or drainage ditches.

¹ In tables B-1a and B-1b, the use-value income approach estimates are dollars per acre and have been rounded to the nearest \$10.

² See Calculating Use-values in section 1 of this document for an explanation of capability classifications.

Methods and Procedures: Determining the Use-Value of Agricultural and Horticultural Land in Virginia

Table B-1a. Estimated use-values of agricultural land by jurisdiction (selected jurisdictions) for tax year 2020.

Jurisdiction	Risk Factor	Cropland					Avg cropland ¹ I-IV
		I	II	III	IV		
County of							
Chesterfield < ² Amelia	w/out risk ³	\$1,080	\$970	\$720	\$570	\$870	
	w/risk ⁴	\$1,030	\$920	\$680	\$550	\$830	
Dinwiddie, Coastal < ² Sussex	w/out risk	\$1,840	\$1,650	\$1,230	\$980	\$1,450	
	w/risk	\$1,750	\$1,580	\$1,170	\$930	\$1,390	
Dinwiddie, Piedmont < ² Brunswick	w/out risk	\$1,890	\$1,700	\$1,260	\$1,010	\$1,530	
	w/risk	\$1,180	\$1,620	\$1,200	\$960	\$1,460	
Prince Edward	w/out risk	\$450	\$400	\$300	\$240	\$350	
	w/risk	\$430	\$380	\$280	\$230	\$330	
City of							
Buena Vista < ²	w/out risk	\$410	\$370	\$270	\$220	\$280	
Rockbridge	w/risk	\$390	\$350	\$260	\$210	\$270	

Jurisdiction	Risk Factor	Pastureland					
		V	VI	VII	Avg pastureland ¹ V-VII	Avg agricultural land ¹ I-VII	VIII
County of							
Chesterfield < ² Amelia	w/out risk ³	\$430	\$360	\$220	\$360	\$860	\$70
	w/risk ⁴	\$410	\$340	\$210	\$340	\$820	\$70
Dinwiddie, Coastal < ²	w/out risk	\$740	\$610	\$370	\$390	\$1,430	\$120
Sussex	w/risk	\$700	\$580	\$350	\$370	\$1,360	\$120
Dinwiddie, Piedmont < ²	w/out risk	\$750	\$630	\$380	\$480	\$1,510	\$130
Brunswick	w/risk	\$720	\$600	\$360	\$460	\$1,440	\$120
Prince Edward	w/out risk	\$180	\$150	\$90	\$120	\$310	\$30
	w/risk	\$170	\$140	\$90	\$120	\$290	\$30
City of							
Buena Vista < ²	w/out risk	\$160	\$140	\$80	\$130	\$240	\$30
Rockbridge	w/risk	\$160	\$130	\$80	\$120	\$230	\$30

Note: Use-values are estimated for each of the eight Soil Conservation Service land capability classifications. Average values are reported for cropland (classes I-IV), pastureland (classes V-VII), and agricultural land (classes I-VII). Class VIII land is not included in the average use-value of agricultural land because Class VIII land is not considered suitable for agricultural purposes. The with-risk values refer to land that is at risk of flooding. These values should only be used when the soil has poor drainage that is not remedied by tiling or drainage ditches or when the land lies in a floodplain.

¹ Average land values: The use-value of each land class is weighted by the total acreage of agricultural land in that class prior to averaging.

² Transfers (<): The data used for estimating the use-value of agricultural land are not published for all towns and are published for only a few of Virginia's independent cities. When data does not exist for a town or city participating in the use-value taxation program, the estimated use-values from an adjacent or surrounding county are used. This process is referred to as transferring in. Transferring in is also used for jurisdictions with large areas of land lying in more than one physiographic region — for example, the Coastal Plain and Piedmont. When a transfer-in jurisdiction has been used, it appears after an arrow (<).

³ Without risk: These estimates apply to land that is not at risk of flooding.

⁴ With risk: These estimates apply to land with poor drainage that is at risk of flooding. Calculations are based on the assumption that a crop loss occurs once every 20 years due to flooding.

Methods and Procedures: Determining the Use-Value of Agricultural and Horticultural Land in Virginia

Orchard Use-Values

Table B lists the estimated use-values for orchard land in all jurisdictions participating in the use-value assessment program. Separate use-value estimates are made for apple orchards and other orchards. "Other" refers to orchards dedicated to peach, cherry, plum, and pear production. Differences in these estimates are the result of the lower depreciation rate used for apple orchards than are used for other types of orchard. Use-value estimates are reported for each of eight Soil Conservation Service land capability classifications. This level of information can help improve the equity of the tax system when data are available on the land class composition of each individual land tract in a jurisdiction. When no such data exist, it is recommended that the use-value of Class III orchard land be applied to all orchard operations within the jurisdiction.

Land devoted to horticultural use will rarely be at risk of flooding. For this reason, the SLEAC elected not to consider the risk of excess rainfall in the use-value estimates for horticultural crops.

Table B-1b. Estimated use-values of land in orchard by jurisdiction (selected jurisdictions) for tax year 2020 (income approach).

Jurisdiction	Crop	Land Class							
		I	II	III	IV	V	VI	VII	VIII
County of									
Accomack	Apple	\$2,530	\$1,920	\$1,090	\$620	\$460	\$420	\$200	\$240
	Other	\$2,530	\$1,920	\$1,090	\$620	\$460	\$420	\$200	\$240
Chesterfield < ¹ Amelia	Apple	\$760	\$570	\$320	\$180	\$130	\$120	\$60	\$70
	Other	\$760	\$570	\$320	\$180	\$130	\$120	\$60	\$70
Dinwiddie, Coastal< ¹ Sussex	Apple	\$1,300	\$980	\$550	\$310	\$230	\$210	\$100	\$120
	Other	1,300	\$980	\$550	\$310	\$230	\$210	\$100	\$120
Prince Edward	Apple	\$320	\$240	\$140	\$80	\$60	\$50	\$30	\$30
	Other	\$320	\$240	\$140	\$80	\$60	\$50	\$30	\$30
City of									
Buena Vista < ¹	Apple	\$290	\$210	\$120	\$60	\$50	\$40	\$20	\$30
Rockbridge	Other	\$290	\$210	\$120	\$60	\$50	\$40	\$20	\$30

¹ Transfers (<): The data used for estimating the use-value of agricultural land are not published for all towns and for only a few of Virginia's independent cities. When data does not exist for a town or city participating in the use-value taxation program, the estimated use-values from an adjacent or surrounding county are used. This process is referred to as transferring in. Transferring in is also used for jurisdictions with large areas of land lying in more than one physiographic region — for example, the Coastal Plain and Piedmont. When a transfer-in jurisdiction has been used, it appears after an arrow (<).

Methods and Procedures: Determining the Use-Value of Agricultural and Horticultural Land in Virginia

Rental Rate Approach

Table 1c shows the estimated use-values of cropland and pastureland based on capitalized rental rates from the National Agricultural Statistics Service. Rental rates are not provided by NASS for every county. When a rate is not provided, the combined county rate for the NASS district where the county is located is used. Any county where a combined county rental rate is used is identified. Also included in this section is a listing of the counties located within a given NASS reporting district.

Appendix B, Table B-1c. Cropland and pastureland values based on NASS-capitalized rental rates (selected jurisdictions) for tax year 2020 (rental rate approach).

Jurisdictions (counties)	Capitalization rate ¹	Cropland		Irrigated cropland		Pastureland	
		Rental rate (\$/acre ²)	Value (\$/acre)	Rental rate (\$/acre ²)	Value (\$/acre ³)	Rental rate (\$/acre ¹)	Value (\$/acre ³)
Chesterfield	0.0623	49.00 ^{cc}	798	—	—	17.50 ^{cp}	281
Dinwiddie	0.0609	38.50 ^{sec}	632	—	—	17.00	279
Prince Edward	0.0592	24.00	416	—	—	18.50	320

^{cc} Central District cropland

^{sec} Southeastern District cropland

^{cp} Central District pasture

Appendix B, Table B-1d.

NASS districts	Average cropland (\$/acre)		Average irrigated cropland (\$/acre)		Average pastureland (\$/acre)	
	Combined counties	District	Combined counties	District	Combined counties	District
Central	49.00	48.00	106.00	106.00	17.50	19.00
Eastern	64.50	72.50	97.00	127.00	37.50	37.50
Northern	40.50	49.00	98.00	116.00	32.50	22.00
Southeastern	38.50	70.00	81.00	79.00	20.00	19.50
Southern	—	33.50	59.00	59.00	16.50	17.00
Southwestern	37.50	38.50	—	—	22.00	21.00
Western	27.50	39.50	100.00	100.00	14.00	17.50

¹ National Agricultural Statistics Service county-level cash rent data (<http://quickstats.nass.usda.gov/>; accessed 7/20/2019).

² Capitalization rate (without risk) is a sum of the average interest rate component (interest rate component is the seven-year state average [two-year lag; from AgFirst]) and average property tax rate (property tax component is the seven-year jurisdiction average [three-year lag; Department of Taxation]).

³ Values (\$/acre) = land rental rate (\$/ac) ÷ capitalization rate.

Methods and Procedures: Determining the Use-Value of Agricultural and Horticultural Land in Virginia

Jurisdictions Within NASS Crop Reporting Districts

Central	Albemarle	Buckingham	Fluvanna	Louisa
	Amelia	Campbell	Goochland	Nelson
	Amherst	Caroline	Greene	Orange
	Appomattox	Chesterfield	Hanover	Powhatan
	Bedford	Cumberland	Henrico	Prince Edward Spotsylvania
Eastern	Accomack	James City	Lancaster	Northampton
	Charles City	King and Queen	Mathews	Northumberland
	Essex	King George	Middlesex	Richmond
	Gloucester	King William	New Kent	Westmoreland York
Northern	Arlington	Fauquier	Page	Shenandoah
	Brunswick	Frederick	Prince William	Stafford
	Clarke	Isle of Wight	Rappahannock	Warren
	Culpeper	Loudoun	Rockingham	
	Fairfax	Madison	Southampton	
Southeastern	Chesapeake City	Southeastern	Suffolk City	Virginia Beach City
	Dinwiddie	Mecklenburg	Surry	
	Greensville	Prince George	Sussex	
Sothern	Charlotte	Halifax	Lunenburg	Patrick
	Franklin	Henry	Nottoway	Pittsylvania
Southwestern	Bland	Floyd	Montgomery	Smyth
	Buchanan	Giles	Pulaski	Tazewell
	Carroll	Grayson	Russell	Washington
	Dickenson	Lee	Scott	Wise Wythe
Western	Alleghany	Western	Botetourt	Highland
	Augusta	Bath	Craig	Roanoke Rockbridge