

Issue Analysis Form

Date: 10/11/2022

Item: Land Use Rates for 2023 (FY2024)

Lead Department(s): Real Estate Assessor

Contact Person(s): Brian Gordineer



Description and Current Status

The Code of Virginia (Section 58.1-3239) established the State Land Evaluation Advisory Council (SLEAC) with the mandate to determine and publish use-value estimates of eligible land for each jurisdiction participating in the use-value taxation program. Prince George County had adopted the SLEAC as presented since 1976. The SLEAC rates experienced a meteoric rise from 2009-2013. To moderate the increase in rates, the BOS directed the Assessor to use a 3-year moving average of SLEAC agricultural rates for valuation purposes. Since then (except for last year), the 3-year moving average calculation has moderated the increase in the tax burden of qualified agricultural land use participants when compared to the stated SLEAC rates which have increased by as much as 35% in a single yearly.

For 2023 (FY2024), the SLEAC agriculture rates have increased by 24%. Returning to the 3-year moving average will result in an increase of just 8% in the agricultural land use rates from last year.

This request before the BOS is to direct the Assessor to utilize the following rates for the FY2024 general reassessment:

- OPTION 1: Return to using a 3-year moving average of the SLEAC agriculture rates.
- OPTION 2: Adopt the SLEAC agricultural rates as presented.

Government Path

- | | | |
|--|---|--|
| Does this require IDA action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does this require BZA action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does This require Planning Commission Action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does this require Board of Supervisors action? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does this require a public hearing? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If so, before what date? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Fiscal Impact Statement

Based on the current real estate tax rate of \$0.82/\$100:

OPTION 1: Increase in taxable assessed value by 24% creates \$54,501 in additional revenue.

OPTION 2: Increase in taxable assessed value by 8% creates \$15,869 in additional revenue.

County Impact

Approximately 434 property owners have qualifying agricultural parcels in the Land Use Program. Approximately 20% of qualifying acreage in the Land Use program is in agricultural use. The majority of Land Use program is in forest use (77%) and these parcels will not be impacted by this decision.

Notes

Brian Gordineer is available to answer any questions or address any concerns regarding the Land Use Program.

bgordineer@princegeorgecountyva.gov, (804) 722-8639

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 11th day of October, 2022.

Present:

Marlene J. Waymack, Chair
Donald R. Hunter, Vice-Chair
Floyd M. Brown, Jr.
Alan R. Carmichael
T. J. Webb

Vote:

A-1

On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

ADOPTION OF RESOLUTION ADOPTING LAND USE RATES

WHEREAS, the Real Estate Land Use Program administered by the Real Estate Assessor's Office develops Agricultural Land Use Rates annually by averaging the rates published by the State Land Evaluation and Advisory Council (SLEAC) from the most current three previous years; and

WHEREAS, the Agricultural Land Use Rates published by the SLEAC have experienced an increase of 21% for TY 2023. The continuation of calculating the Agricultural Land Use Rates annually by averaging the rates published by the SLEAC would result in a increase in rates of approximately 1%; and

WHEREAS, §58.1-3236, Code of Virginia, 1950, as amended, allows localities the discretion to locally adopt agricultural land use rates; and

NOW THEREFORE, BE IT RESOLVED that the Board of Supervisors hereby directs the Real Estate Assessor's Office to calculate the Agricultural Land Use Rates annually by averaging the rates published by the State Land Evaluation and Advisory Council (SLEAC) from the most current three previous years.

A Copy Teste:

Jeffrey D. Stoke
County Administrator

LAND USE PROGRAM

Rate Determination for July 1, 2023

October 11, 2022



REAL ESTATE ASSESSOR'S OFFICE

Brian E. Gordineer, AAS – County Assessor

Virginia Code

Article 4. Special Assessment for Land Preservation Repealed

- § 58.1-5229 Repealed
- § 58.1-5230 Special classifications of real estate established and defined
- § 58.1-5231 Authority of counties, cities and towns to adopt an ordinance of land preservation
- § 58.1-5232 Authority of city to provide for land preservation in an area
- § 58.1-5233 Determinations to be made by local government and ordinance
- § 58.1-5234 Application by property owners for special assessment, etc.
- § 58.1-5255 Removal of parcels from program
- § 58.1-5256 Valuation of real estate under program
- § 58.1-5257 Change in use or zoning of real estate
- § 58.1-5257.1 Authority of counties to enact a special assessment
- § 58.1-5258 Failure to report change in use or zoning
- § 58.1-5259 State Land Evaluation Advisory Commission
- § 58.1-5240 Council; membership; duties; organization

County Code

DIVISION 3. - SPECIAL ASSESSMENT FOR LAND PRESERVATION

- Sec. 74-261. - Findings; levy of tax.
- Sec. 74-262. - Applications.
- Sec. 74-263. - Criteria; opinions; appeal.
- Sec. 74-264. - Values on land book; extension of tax.
- Sec. 74-265. - Roll-back tax imposed.
- Sec. 74-266. - Reporting changes in land use; misstatements.
- Sec. 74-267. - Application of state tax laws.



REAL ESTATE ASSESSOR'S OFFICE

Brian E. Gordineer, AAS – County Assessor

§ 58.1-5242.1 FOREST SUSTAINABILITY FUND

- § 58.1-5243 Application of other provisions of Title 58.1
- § 58.1-5244 Article not in conflict with requirements for preparation and use of true values

1,285 parcels – 9%
83,415 acres – 46%



REAL ESTATE ASSESSOR'S OFFICE

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Annual Revalidation

\$10 Fee Every 5th Year

2023-2024 LAND USE REVALIDATION APPLICATION

Year: 2023-2024
County of Prince George
Real Estate Assessor's Office
PO Box 68
Prince George, VA 23875
Telephone: (804) 722-8629
Date Received:

Owner
Parcel #:
District:
Legal:
Acreage:

Dear Property Owner(s):

In order for you to continue receiving the benefits of Prince George County's Land Use Assessment Program, **YOU MUST** complete and return this **APPLICATION FOR REVALIDATION** to the Real Estate Assessor's Office, PO Box 68, Prince George, Virginia 23875. If you have any questions concerning this application, or the Land Use Assessment Program, you may contact the Real Estate Assessor's Office. The telephone number is (804) 722-8629.

REVALIDATION APPLICATIONS MUST BE RECEIVED BY THE COUNTY OR POSTMARKED, NO LATER THAN NOVEMBER 4, 2022 TO RECEIVE BENEFITS FOR THE 2023-2024 TAX YEAR. LATE APPLICATIONS WILL BE RECEIVED UNTIL JANUARY 3, 2023, WITH THE PAYMENT OF A \$10.00 LATE FEE PER APPLICATION.

THE FOLLOWING QUESTIONS MUST BE COMPLETED

1. Has there been any **CHANGE IN ACREAGE** of this land since your last application? (For Example: sale or gift of land or lots, new survey, subdivision of land, etc.) Yes No IF YES, please provide details _____
2. Has there been any **CHANGE IN USE** of this land since your last application? (For Example: number of acres being farmed or in woodland, construction of new dwelling, placement of mobile home, or any other change from a qualifying agricultural, horticultural, forest or open space use to any other non-qualifying use.) Yes No
IF YES, please provide details _____



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**\$172,395,500 deferred
assessment
\$1.4 million in tax revenue**



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State Land Evaluation and Advisory Council (SLEAC)

Use-value assessment related issues to Theresa Born at the Property Tax Unit, Virginia Department of Taxation. Questions regarding the technical aspects of the methodology for the agricultural or horticultural use-value estimates should be directed to Jennifer Frisdel at the Department of Agricultural and Applied Economics, Virginia Tech. Questions about forest use-value estimates should be directed to Dean Cumbera at the Department of Forestry in Charlottesville. Questions about open space use-value estimates should be directed to Lisa McGee at the Department of Conservation and Recreation in Richmond.

Table 1: Income Approach - Estimated use value of agricultural land in Prince George (\$/Acre)

Land Class	Use Value Without Risk	Use Value With Risk
I	1,550	1,430
II	1,300	1,200
III	1,050	950
IV	800	700
V	620	550
VI	520	450
VII	400	350
VIII	310	280
IX	250	220
X	100	100

Table 2: Income Approach - Estimated use value of agricultural land in Prince George (\$/Acre)

I	180	260
II	80	180
III	100	80
IV		100

Table 3: Rental Rate Approach - Cropland and pastureland values based on NASS capitalized rental rates in Prince George or district value (\$/Acre)

Category	Value (\$/Acre)
Cropland	101 ^{1st}
Pastureland	N/A
Woodlands/Diverse District Pasture	47 ^{2nd}

^{1st} See www.nass.usda.gov for details on District Pasture.

Table 4: Forest Values (\$/Acre) - Prince George

Category	Value (\$/Acre)
Fair	429
Good	595
Excellent	733
Non-Productive Land	100

Table 5: Open Space Recommended Values (\$/Acre) - Prince George

Open Space	2,000-4,000
Scenic and Rec. Act. Clubs	2,000-4,000

N/A = not applicable to the geographic region.

Estimated Use Values For Prince George

Estimates apply to 2022



State Land Evaluation and Advisory Council (SLEAC)

Contacts

Virginia Department of Taxation
Theresa Born, Property Tax Unit, Virginia Dept. of Taxation, Richmond, VA 23218-0565
(804) 786-4091 Theresa.Born@tax.virginia.gov
Agricultural/Horticultural Evaluation
Jennifer Frisdel, jfrisdel@ax.virginia.gov

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Dean Cumbera, Dept. of Forestry, 900 Natural Resources Drive, #800, Charlottesville, VA 22903
(434) 226-9024 Dean.Cumbera@def.virginia.gov
Open Space Estimates
Lisa McGee, Director of Policy and Planning, Conservation and Recreation, Richmond, VA
lmcgee@dcrr.virginia.gov

SLEAC		2023
AG	Crop Land (AG 1-4)	\$ 1,660
	Pasture Land (AG 5-7)	\$ 490
	Unproductive	\$ 100
FOREST	Excellent	\$ 860
	Good	\$ 708
	Fair	\$ 510
OTHER	Horticultural 1	\$ 1,360
	Horticultural 2	\$ 1,030
	Other Non-Productive	\$ 100
	Open Space	\$ 1,400

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	2023	2022	2021	2020	2019	2018
SLEAC	SLEAC	SLEAC	SLEAC	SLEAC	SLEAC	SLEAC
AG						
Crop Land (AG 1-4)	\$ 1,660	\$ 1,340	\$ 1,350	\$ 1,720	\$ 2,150	\$ 1,780
Pasture Land (AG 5-7)	\$ 490	\$ 400	\$ 400	\$ 510	\$ 640	\$ 530
Unproductive	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
FOREST						
Excellent	\$ 860	\$ 733	\$ 715	\$ 785	\$ 772	\$ 715
Good	\$ 708	\$ 595	\$ 578	\$ 637	\$ 628	\$ 582
Fair	\$ 510	\$ 429	\$ 417	\$ 466	\$ 459	\$ 425
OTHER						
Horticultural 1	\$ 1,360	\$ 1,100	\$ 1,100	\$ 1,400	\$ 1,760	\$ 1,430
Horticultural 2	\$ 1,030	\$ 830	\$ 830	\$ 1,060	\$ 1,330	\$ 1,070
Other Non-Productive	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Open Space	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400
3-YEAR AVER	3-YEAR AVER	3-YEAR AVER	3-YEAR AVER	3-YEAR AVER	3-YEAR AVER	3-YEAR AVER
AG						
Crop Land (AG 1-4)	\$ 1,450	\$ 1,470	\$ 1,740	\$ 1,883	\$ 1,857	\$ 1,660
Pasture Land (AG 5-7)	\$ 430	\$ 437	\$ 517	\$ 560	\$ 590	\$ 567
Unproductive	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
FOREST						
Excellent	\$ 769	\$ 744	\$ 757	\$ 757	\$ 724	\$ 701
Good	\$ 627	\$ 603	\$ 614	\$ 616	\$ 589	\$ 571
Fair	\$ 452	\$ 437	\$ 447	\$ 450	\$ 431	\$ 418
OTHER						
Horticultural 1	\$ 1,187	\$ 1,200	\$ 1,420	\$ 1,530	\$ 1,507	\$ 1,337
Horticultural 2	\$ 897	\$ 907	\$ 1,073	\$ 1,153	\$ 1,130	\$ 997
Other Non-Productive	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Open Space	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400



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	2023	2022	2021	2020	2019	2018
SLEAC		SLEAC	SLEAC	SLEAC	SLEAC	SLEAC
AG		\$ 1,340	\$ 1,350	\$ 1,720	\$ 2,150	\$ 1,780
Crop Land (AG 1-4)	1,660	24%	-1%	-22%	21%	9%
Pasture Land (AG 5-7)	490	23%				
Unproductive	100	0%				
FOREST						
Excellent	860	17%				
Good	708	19%				
Fair	510	19%				
OTHER						
Horticultural 1	1,360	24%				
Horticultural 2	1,030	24%				
Other Non-Productive	100	0%				
Open Space	1,400	0%				
3-YEAR AVER						
AG						
Crop Land (AG 1-4)	1,450	-1%				
Pasture Land (AG 5-7)	430	-2%				
Unproductive	100	0%				
FOREST						
Excellent	769	3%				
Good	627	4%				
Fair	452	3%				
OTHER						
Horticultural 1	1,187	-1%				
Horticultural 2	897	-1%				
Other Non-Productive	100	0%				
Open Space	1,400	0%				
FY2022 - FY2023 CHANGE						
AG						
Crop Land (AG 1-4)	\$ 1,450	8%				
Pasture Land (AG 5-7)	\$ 430	8%				
Unproductive	\$ 100	0%				
FOREST						
Excellent	\$ 769	5%				
Good	\$ 627	5%				
Fair	\$ 452	5%				
OTHER						
Horticultural 1	\$ 1,187	8%				
Horticultural 2	\$ 897	8%				
Other Non-Productive	\$ 100	0%				
Open Space	\$ 1,400	0%				
3-YEAR AVER						
AG						
Crop Land (AG 1-4)	\$ 1,450	8%				
Pasture Land (AG 5-7)	\$ 430	8%				
Unproductive	\$ 100	0%				
FOREST						
Excellent	\$ 769	5%				
Good	\$ 627	5%				
Fair	\$ 452	5%				
OTHER						
Horticultural 1	\$ 1,187	8%				
Horticultural 2	\$ 897	8%				
Other Non-Productive	\$ 100	0%				
Open Space	\$ 1,400	0%				
2023						
	\$ 1,660	24%				
	\$ 490	23%				
	\$ 100	0%				
	\$ 860	17%				
	\$ 708	19%				
	\$ 510	19%				
	\$ 1,360	24%				
	\$ 1,030	24%				
	\$ 100	0%				
	\$ 1,400	0%				
	\$ 1,450	-1%				
	\$ 430	-2%				
	\$ 100	0%				
	\$ 769	3%				
	\$ 627	4%				
	\$ 452	3%				
	\$ 1,187	-1%				
	\$ 897	-1%				
	\$ 100	0%				
	\$ 1,400	0%				
	\$ 1,340	-16%	\$ 1,073	-7%	\$ 1,153	2%
	\$ 100	0%	\$ 100	0%	\$ 100	0%
	\$ 1,400	0%	\$ 1,400	0%	\$ 1,400	0%
	\$ 907	-16%	\$ 1,073	-7%	\$ 1,153	2%
	\$ 100	0%	\$ 100	0%	\$ 100	0%
	\$ 1,400	0%	\$ 1,400	0%	\$ 1,400	0%
	\$ 1,130	13%	\$ 1,130	13%	\$ 997	2%
	\$ 100	0%	\$ 100	0%	\$ 100	0%
	\$ 1,400	0%	\$ 1,400	0%	\$ 1,400	0%



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INFORMATION

Real Estate Assessor's Office

https://www.princegeorgecountyva.gov/residents/property_and_taxes/real_estate_assessor_s_office/index.php

State Land Evaluation and Advisory Committee

<https://aaec.vt.edu/extension/use-value/about/sleac.html>

Virginia Department of Taxation

<https://www.tax.virginia.gov/>



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