

Virginia's Use-Value Assessment Program

Use-value taxation is found in some form in all 50 states in the United States, suggesting support for the preservation of this land and for the reduction of tax burden on owners of land used in producing food, fiber, and timber. In 1974, Virginia passed legislation to enable localities to provide tax relief to land owners in order to preserve agricultural, horticulture, forestry and/or open space lands with the explicit purpose that the public would benefit from its preservation.

Why use-value assessment?

The rationale for the use-value assessment program is provided in Section 58.1-3229 of the Code of Virginia declaring that "the preservation of real estate for agricultural, horticultural, forest and open space use is in the public interest and ... the classification, special assessment and taxation of such property in a manner that promotes its preservation helps foster long term public benefits." Virginia law allows for eligible land in any of these categories to be taxed based upon the land's value in use (use value) as opposed to the land's market value.

In 1971, the Virginia General Assembly enacted a law permitting localities to adopt a program of special assessments for agricultural, horticultural, forest and open space lands (Sections 58.1-3229 through 58.1-3244 of the Code of Virginia). While the purpose language originally outlined in Section 58.1-3229 has since been removed, as established at that time, the purpose of the program was stated as the following:

- To encourage the preservation and proper use of such real estate in order to assure a readily available source of agricultural, horticultural and forest products and of open spaces within the reach of concentrations of population,
- To conserve natural resources in forms which will prevent erosion and to protect adequate and safe water supplies,
- To preserve scenic natural beauty and open spaces,
- To promote proper land-use planning and the orderly development of real estate for the accommodation of an expanding population, and
- To promote a balanced economy and ameliorate pressures which force conversion of such real estate to more intensive uses and which are attributable in part to the assessment of such real estate at values incompatible with its use and preservation for agricultural, horticultural, forest or open space purposes.

State Land Evaluation Advisory Council (SLEAC)

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.

The SLEAC is composed of the:

- Virginia Tax Commissioner;
- Dean of the College of Agriculture and Life Sciences of Virginia Polytechnic Institute and State University;
- Virginia Commission of Agriculture and Consumer Services (agricultural and horticultural lands);
- State Forester (forest lands); and
- Virginia Director of the Department of Conservation and Recreation (open space lands).

The SLEAC contracts annually with the Department of Agricultural and Applied Economics at Virginia Tech to develop an objective methodology for estimating the use value of land in agricultural and horticultural uses, with the Virginia Department of Forestry for the use value of land in forestry, and with the Department of Conservation and Recreation for the use value of land in open space.

SLEAC Annual Meetings

Annually, Agricultural and Horticultural, Forestry, and Open Space Use-value Estimates are presented for review by SLEAC at a public meeting held during the first two weeks of August. These preliminary estimates are open for review for 30 days. During this time, written questions are addressed. Responses to all questions are presented to SLEAC for a vote during a second meeting held during the first 2 weeks of September. The approved estimates are posted on the use-value website in October of each year.