

Buckingham County

Land Use Program Presentation

General Overview and Considerations

September 18, 2017



Introduction

Special Assessment for Land Preservation is a program for land in special classifications that are in qualified and compliant use. Local enactment of the program requires an ordinance or ordinances passed by the governing body. Implementation and on-going functions will add new responsibilities to the Commissioner of the Revenue - assessing office.



Introduction

Staff responsible for program administration should be trained and all local property owners should be informed as to the program benefits, responsibilities, costs, and potential penalties. The qualified use of enrolled properties and other related matters needs to be fully understood to ensure local satisfaction with special classification programs, and compliance with all program requirements.



Excerpts from selected statutes

Code of Virginia: Title §58.1- Taxation » Chapter 32.
Real Property Tax

Article 4. Special Assessment for Land Preservation § 58.1-3229 through § 58.1-3244

- It is the intent of this article to provide for the classification, and permit the assessment and taxation, of such real estate in a manner that will promote the preservation of it ultimately for the public benefit.



§ 58.1-3229. Declaration of policy (not set out in Code)

The preservation of real estate devoted to agricultural, horticultural, forest and open space uses is a matter vital to the public interest

- To assure a readily available source of such real estate
- Be within reach of concentrations of population
- Conserve natural resources
- Promote land-use planning and orderly development
- Promote a balanced economy



Action by the Governing Body

§ 58.1-3231. Authority of counties, cities and towns to adopt ordinances; general reassessment following adoption of ordinance.

- Having adopted a land-use plan, the governing body may adopt an ordinance to provide for the use value assessment and taxation, in accord with the provisions of this article, of real estate classified in [§ 58.1-3230](#)
- The governing body shall be authorized to direct a general reassessment of real estate in the year following adoption of an ordinance pursuant to this article.
- NOTE: Land use values only change with a reassessment.



Action by the Governing Body – Assessing Officer

§ 58.1-3234. Application by property owners for assessment, etc., under ordinance; continuation of assessment, etc.

- Conditions relevant to the application to the local assessing officer for taxation on the basis of a use assessment, provisions for the governing body pertaining to applications, fees, revalidation, and continuation of valuation, assessment.



Administration by the Assessing Officer

§ 58.1-3233. Determinations to be made by local officers before assessment of real estate under ordinance.

The local assessing officer shall through application of the provisions of statute:

- Determine that the real estate meets the criteria and standards set forth in § [58.1-3230](#)
- Determine further that real estate meets acreage requirements for the classification
- Determine further that additional provisions for real estate devoted to open-space use are addressed

Administration by the Assessing Officer

§ 58.1-3236. Valuation of real estate under ordinance.

- Shall consider only those indicia of value which such real estate has for special classification use, use of personal knowledge, judgment and experience as to the value of special classification use
- Shall consider available evidence of special classifications capability
- Shall consider the value recommendations of the State Land Evaluation Advisory Council
- Shall also be evaluated on the basis of fair market value as applied to other real estate
- Land book records shall be maintained to show both the use value and the fair market value



Administration by the Assessing Officer

§ 58.1-3237. Change in use or zoning of real estate assessed under ordinance; roll-back taxes.

- If the use by which a property qualified changes to a non-qualifying use, or except as provided by ordinance enacted pursuant to subsection G, if the zoning is changed to a more intensive use at the request of the owner or his agent, the effected property shall be disqualified from the program and subject to additional taxes, hereinafter referred to as roll-back taxes.

Administration by the Treasurer – Assessing Officer

§ 58.1-3235. Removal of parcels from program if taxes delinquent.

- If real estate taxes become delinquent, the treasurer shall notify the property owner, and if the delinquent taxes remain unpaid, the commissioner of the revenue who shall remove such parcel from the land use program.
- NOTE: Removal from the program due to delinquent taxes does not result in the application of roll back taxes. Roll back taxes only apply with a change in use, or the voluntary rezoning of the property to more intensive use.

Other Considerations

Some observations and cost considerations

Reduction in tax base

Property in a land use value program is taxed on a lower value than would be at its market value. In some cases, the land use value could be significantly lower than the market value. In order to maintain revenues, the tax rate would need to be increased. This would result in shifting some of the tax levy to properties not in a land use value program. In effect, properties not in a program help subsidize land use valuation programs.

Program Administration

The program needs to be administered, and property in land use classifications needs to be monitored. This may require additional personnel, training, and the establishment of prescribed procedures. There are applications and updates from property owners to be processed. The land is to be in qualified, compliant use for its classification. In fairness to the local taxpayers supporting the programs, periodic inspections are recommended to ensure that those in a program are in compliance with its provisions.

Dept of Education School Board Funding

For the purpose of the composite index used by the Dept of Education in its school funding distribution, the market value of property in land use programs is used rather than its assessed land use value. This is because the program is a local option. The locality could tax this property at its market value if it chose to.

The composite index will reflect a higher property value than the county is actually collecting full tax on. This may result in a lower share of the funding distributed to the local school board by the Dept of Education.

Unintended Consequences

- Unfortunately, some people obtain land use classification, but do not comply with program requirements. The program is not intended to reduce taxes for those with land holdings that are not in qualified, compliant classification use.
- Failure to properly monitor the properties in a program can lead to a compliance “drift”. Properties no longer qualified may continue to benefit from a program at the expense of those not in a program. The program is not intended to reduce taxes for those with land holdings that are not in qualified, compliant classification use.

Observation

- With time, local conditions can change, and the programs may come to be seen as no longer beneficial to the locality as a whole. Some in legitimate land use have come to see the programs as an entitlement, and strongly oppose changes or a discontinuance of a program.

Thank you

You are welcome to contact me at any time if you have questions or comments

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