

Special Land Use Value Assessments



Article X, Section 2 of the Constitution of Virginia provides for implementation of general law to permit local jurisdictions to grant deferral of or relief from, a portion of the real estate taxes on certain classes of real estate. The General Assembly passed legislation permitting localities, by ordinance and according to specific criteria, the authority of the special assessment and

taxation of agricultural, horticultural, forest and open-space lands at its use value rather than its fair market value.

Qualifications for Special Classification

Agricultural Use: Must be devoted to the bona fide production for sale of plants and animals useful to man under uniform standards prescribed by the Commissioner of Agriculture and Consumer Services, or when devoted to and meeting the requirements and qualifications for payments or other compensation pursuant to a soil conservation program under an agreement with an agency of the federal government. Agricultural use classification requires a minimum of five acres devoted to an agricultural use.

Horticultural Use: Must be devoted to the bona fide production for sale of fruits of all kinds, vegetables, nursery and floral products under uniform standards prescribed by the Commissioner of Agriculture and Consumer Services, or devoted to and meeting requirements and qualifications for payments or other compensation pursuant to a soil conservation program under an agreement with an agency of the federal government. Horticultural use classification requires a minimum of five acres devoted to a horticultural use.

Forest Use: Forest use classification is described as land devoted to tree growth in such quantity and so spaced and maintained as to constitute a forest area under standards prescribed by the State Forester; requires 20 acres minimum devoted to forest use

Open-Space Use: Real estate devoted to open-space use shall mean real estate used to provide or preserved for park or recreational purposes, conservation of land or other natural resources, floodways, historic or scenic purposes, or assisting in the shaping of the character, direction, and timing of community development or for the public interest and consistent with the local land-use plan under uniform standards prescribed by the Director of the Department of Conservation and Historic Resources. Open space classification requires a minimum of five acres in open space use and execution of an open space agreement.



LAND OWNER OBLIGATIONS FOR LAND USE ASSESSMENT

Applications

Applications for taxation on the basis of a land use value assessment are accepted by the Real Estate Assessor's office October 1 through November 2 of each year. The application, after approval, will be effective for the next fiscal tax year, beginning July 1 of the following year. The application fee is \$10.00. Late applications may be submitted after the November 2 deadline upon payment of a late fee of \$3.00 per day for each application filed. Applications are accepted through December 31. All owners of the property are required to complete and sign the application (3 copies) and a certification form. Certification forms (for agricultural, horticultural or forest use) must be signed and notarized.

An amended application shall be submitted when the acreage of the parcel changes due to a subdivision or survey.

Incorrect information on the following subjects will be considered material misstatements and subject the owner to removal from the program, assessment of roll back tax and penalty.

- The number and identities of the known owners of the property.
- The actual use of the property
- The intentional misrepresentation of the number of acres in the parcel to be taxed according to use
- The zoning of the property

Annual Revalidation

In the City of Chesapeake property owners are required to revalidate the application annually. Revalidation forms are mailed October 1 of each year. The revalidation form must be completed and returned to the Real Estate Assessor's office by December 5. Revalidation forms will be accepted after the deadline by paying a late filing fee of \$3.00 per day for each application. Revalidation forms are not accepted after December 31.

Failure to revalidate will result in the removal of the property from the land use value assessment program. The property will then be assessed and taxed based on the fair market value assessment.

Change in Use or Zoning

When the qualifying use of the property is changed to a non-qualifying use or if the property is rezoned to a more intensive use, at the request of the owner or his agent, this change must be reported to the Real Estate Assessor within 60 days after such change occurs.

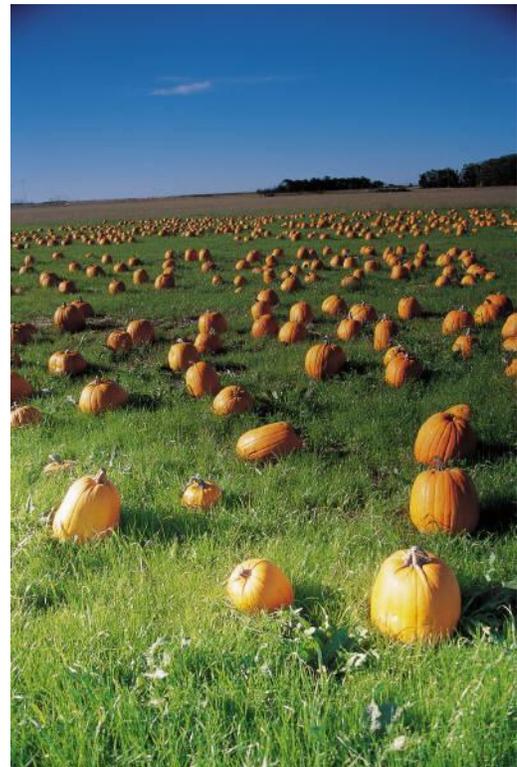
Roll Back Taxes

Roll back taxes will be assessed, when such real estate that has been taxed according to special use value assessment changes to a non-qualifying use (change in use). As of July 1, 1988, roll back taxes are also applied when property, at the request of the owner or agent, is rezoned to a more intensive use (zoning). Also, after property is subdivided or a split-off parcel occurs, roll back taxes will be assessed when the parcels affected do not meet the land use value qualifications (subdivision).

Roll back tax is equal to the difference between the use value assessment tax and tax on the fair market value, for the present and each of the five most recent complete tax years including simple interest.

Real Estate Taxes

Property shall be removed from the use value assessment program if delinquent taxes are not paid by June 1 of the year following the year in which due.



QUESTIONS AND ANSWERS

What is the use value assessment program; will this program save the property owner money? The use value assessment program is a law that permits localities to adopt a program of special assessments for agricultural, horticultural, forest and open-space use. Qualifying properties are assessed and taxed based on the “use” value assessment.

What is the purpose of the use value assessment program? To encourage the preservation and beneficial use of real estate in order to assure a readily available source of agricultural, horticultural, and forest products and to provide for open-space preservation.

What are the qualifications for a use value assessment? To qualify for use value assessment, the parcel must meet the basic criteria and uniform standards as prescribed by the Commissioner of Agricultural and Consumer Services (agricultural and horticultural lands), the State Forester (forest lands), the Director of the Department of Conservation and Recreation (open space lands). The application process requires the property owner to certify the income earned from the “use” of the property.

Qualifying uses under the agricultural and horticultural classification include:

The production for sale of:

- Grain and feed crops
- Forage crops
- Bees and apiary products
- Vegetables Fruits and nuts
- Commercial sod and seed
- Tobacco, cotton, and peanuts
- Dairy animals and dairy products
- Nursery and floral products
- Poultry and poultry products
- Livestock; beef cattle, sheep swine, horses



Will the property qualify for the special use value assessment when land is used for livestock?

Qualifying uses include livestock, including beef cattle, sheep, swine, horses, ponies, mules, or goats, including the breeding and grazing of any or all such animals.

Can property continue to receive the special use value assessment when the owner sells his/her property? If it is the desire of the new owner, and the property meets the qualifications for a use value assessment, the parcel can remain in the program.

Will roll back taxes be assessed on a property when a portion of the property is sold? Roll back taxes will be assessed on the subdivided portion of the property; example, subdividing twelve acres into four-three acre lots.

Can the property remain in the use value assessment program when the “use” of the property changes to a non-qualifying use? Parcels that are not in a bona fide agricultural, horticultural, forest or open space use are not eligible for the use value assessment program. The property owner is required to report any change in the use of the property to the Real Estate Assessor within sixty days of such change. At which time the property will be removed from the use value assessment program.

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