The scale implies that the expected net income from Class I is 1.5 times that of Class III; the expected net income from Class II is 1.35 times that of Class III land; the expected net income from Class IV is only .80 times that of Class III land; the expected net income from Class V is only 0.60 times that of Class III land, and so on.

**Soil index factor**

Since the mix of land classes differs among jurisdictions, it is not appropriate to simply use an unadjusted without-risk (or with-risk) use-value estimate (Appendix 3, Table 3 – Section 3) which would be used as the use-value estimate for Class III land. An adjustment is made by calculating a soil index factor. The factor which is the weighted average of the land capability (productivity) indices (Classes I – IV) in each jurisdiction23 where cropland acreage of classes I – IV in the jurisdiction provides the weights.

In Prince Edward County, the soil index factor is calculated as 1.149 (Appendix 3, Table 3 – Section 4). This value means that a typical acre of land in Prince Edward County is between Class II (1.35) and Class III (1.00). Since the unadjusted without-risk use value of cropland harvested for Prince Edward County was $226.17 (Appendix 3, Table 3 – line 3), that value is divided by the soil index factor of 1.149. This yields a without-risk use-value estimate for Class III land of $196.93 per acre. Multiplying this value by each of the other land class indices provides the remaining without-risk use-value estimates (Appendix C, Table 3 - Section 5). The same process is used in calculating a jurisdiction’s with-risk use-value estimates, by using the unadjusted with-risk use value. Note that the final estimated values are rounded to the nearest $10, e.g., the use-value estimate for Class III of $196.93 is reported as $200 (Appendix B – Table 1a).

**Using average use-value estimates**

When the soil capability classes of an individual real estate tract are known, using the adjusted use-value estimates could improve equity. However, in many jurisdictions, these data do not exist. Therefore, Appendix B Table 1a lists the weighted average use-value estimates for cropland harvested (land classes I through IV), pastureland (land classes V through VII), and total agricultural land (land classes I through VII). 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.

**Transfer-in data**

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 do not exist for a town or city participating in the use-value taxation program, data from an adjacent county are used. The process is referred to as “transferring-in data.” For example, Chesterfield County uses transfer-in data from Amelia County (Appendix B, Table 1a).

**Split Counties: Census and Net Returns**

Transfer-in data are also used for jurisdictions that are split by the “Fall Line.” These split-counties are unique because their western side is comprised of Piedmont soils and crops and their eastern side is comprised of Coastal Plain soils and crops. Currently, Dinwiddie, Hanover, and Henrico counties are split counties and data are transferred in from adjacent counties with similar soil. For example, Dinwiddie County’s Coastal Plain region uses transfer-in data from Prince George County, while its Piedmont region uses transfer-in data from Nottaway County.

In a split-county, the county’s own census data is used in calculating composite farm acreage. As a result, there are identical composite farm acreages for both regions within a split-county. As with other transfer-in counties, a split-county’s crop net return budgets are transferred-in from an adjacent county. However, a split-county does not transfer-in federal payments. Rather, federal payments paid to the split-county are used for both regions. For example, both of Dinwiddie’s Coastal Plain and Piedmont regions use federal payments paid to Dinwiddie County.

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24Not adjusting use-value estimates in jurisdictions with high concentrations of land in classes I and II would overestimate Class III estimates while underestimating Class III estimates in jurisdictions with low concentrations of land in classes I and II.

25Data on land acreage in each land class is available in the Virginia Conservation Needs Inventory (1967).

26These data can be generated by using soil surveys and tax map overlays or through self-reporting but the process is costly and difficult to verify.

27See the following URL for a definition of the Fall Line http://www.virginiaplaces.org/regions/fallshape.html

28When a transfer-in county designation changes, a jurisdiction’s historical annual budget data for the previous 7 years must be adjusted to include annual budgets from all transfer-in counties within the previous 7 years. Calculations are performed outside the use-value system with all jurisdictional reporting updated (i.e., Brochure, Table 1a, Table 1b, Table 2, Table 3, and Table 5).
Transfer-in Jurisdictions: Effective Tax Rates

When a jurisdiction is not split and uses transfer-in data, the transfer-in county’s composite farm and average net returns are identical to the receiving jurisdiction. But, the final use-value estimates for a receiving county and its transfer-in county will differ because each jurisdiction uses its own effective tax rate to arrive at the capitalization rate.

For example, Buena Vista City transfers-in data from Rockbridge County. Therefore, both Buena Vista and Rockbridge County have identical census data, composite farm acreages, crop net returns, and final Estimated Net Return. Thus, Buena Vista’s unadjusted use-value estimates will differ from Rockbridge only because the moving straight 10-year average effective property tax rates are different (An explanation of these rates is provided in Section I – Capitalization Rate).

Transfer-in Jurisdictions: Soil Index

When a county uses transfer-in data (including split-counties), its unadjusted use-value estimates are divided by the transfer-in county’s soil index factor to calculate its adjusted use-value estimates. For example, Buena Vista transfers-in data from Rockbridge County and uses Rockbridge County’s soil index factor in calculating its adjusted use-value estimates.