Consider a farm in Prince Edward County in TY2008 with 349 acres. Assume the farm is comprised of 113 acres of Class I land, 130 acres of Class II land of which 82 acres has poor drainage, 5 acres of Class III land, and 1 acre of Class IV land with good drainage. It also has 100 acres of Class VI land with good drainage.

To understand all the details of this example requires knowledge of the procedures and methods employed in developing a county’s use-value estimates. Some of the terms, for example, Class I Land and with-risk are explained in other sections of this document.

Using an abbreviated Table 1a (Appendix B) as reference to determine the per acre use value of the land with good drainage (without-risk) and with poor drainage (with-risk), the assessed value of the farm would be:

- **Class I Land**: 113 acres \( \times \$300/acre = \$33,900 \)
- **Class II Land**
  - Good drainage: 48 acres \( \times \$270/acre = \$12,960 \)
  - Poor drainage: 82 acres \( \times \$250/acre = \$20,500 \)
- **Class III Land**: 5 acres \( \times \$200/acre = \$1,000 \)
- **Class IV Land**: 1 acre \( \times \$160/acre = \$160 \)
- **Class VI Land**: 100 acres \( \times \$100/acre = \$10,000 \)

**Total Use-Value Assessment** \( \$78,520 \)

If the data on land class composition and drainage were not available, the average use-value estimates (Average Ag. Land, I - VII) could be used. For this farm, the assessed value would be

- **Class I – VII Land**: 349 acres \( \times \$200/acre = \$69,800 \)

**Total Use-Value Assessment** \( \$69,800 \)

**Note**: The tax paid by the owner (assuming that the owner meets all eligibility requirements for use value assessment) of the 349 acres would be based on Prince Edward’s real property tax rate times the total use-value assessment (either \$78,520 or \$69,80). If the land contained farm structures, e.g., a poultry house and/or grain bins, they would be taxed at their fair market value. Use-value assessment only applies to land.

For example, in Prince Edward County the property tax rate for 2007 was \$0.57 per \$100 of assessed valuation. Assuming that land class composition and drainage information was available for the farm example above would mean that the farm’s property tax would be \$447.56 (\$78,520 \times 0.0057).