

LAND USE ARTICLES – HOW LOCAL SCHOOL FUNDS ARE HURT

http://www.dailyprogress.com/orangenews/news/school-funding-formula-complex/article_d35e5642-8f75-11e3-b51a-001a4bcf6878.html

The composite index formula, calculated by the Virginia Department of Education on a biannual basis, determines a locality's ability to pay education costs. It is calculated using three indicators: true value of property (weighted 50 percent), adjusted gross income (weighted 40 percent) and taxable retail sales (weighted 10 percent). Each locality's index is then adjusted to maintain an overall statewide local share of 45 percent and an overall state share of 55 percent.

The same can't be said for land use, which the composite index formula doesn't take into account. With land use, the value of the property is reported to the state, irrespective of any land use tax deferments. Think of it like using a coupon for an item. The coupon is recognized by the county, but not the state who assumes the locality is collecting tax on the full value.

http://www.roanoke.com/news/local/franklin_county/franklin-county-getting-socked-by-state-school-funding-system/article_3ac6b396-a71e-11e3-abe8-001a4bcf6878.html

Many properties qualify for this distinction in Franklin County, and those pieces of land are not worth nearly as much to the county's tax revenues as they are to the formula's true value measure.

"They're using more than we actually tax on," Cheatham said.

http://www.fauquiernow.com/index.php/fauquier_news/article/fauquier-va-funding-formula-update-penalizes-fauquier-schools-2015

Officials from Fauquier and other counties for years have sought Composite Index allowances for "land-use" real estate valuations, which give tax breaks to owners of property in agriculture, forest, horticulture or open space. Fauquier provides about \$18 million annually in tax breaks for such property, which the Composite Index values at full market value. Local leaders contend the county

https://pubs.ext.vt.edu/448/448-037/448-037_pdf.pdf