

# **Agricultural Adjustments**

## **Rule 71.3(1)**

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# 71.3 Agricultural Adjustments

## Rule 71.3(1)

- How did we get here?
- What is it?
- What does it mean:
  - Supervisors
  - Taxpayers



# 71.3 Agricultural Adjustments

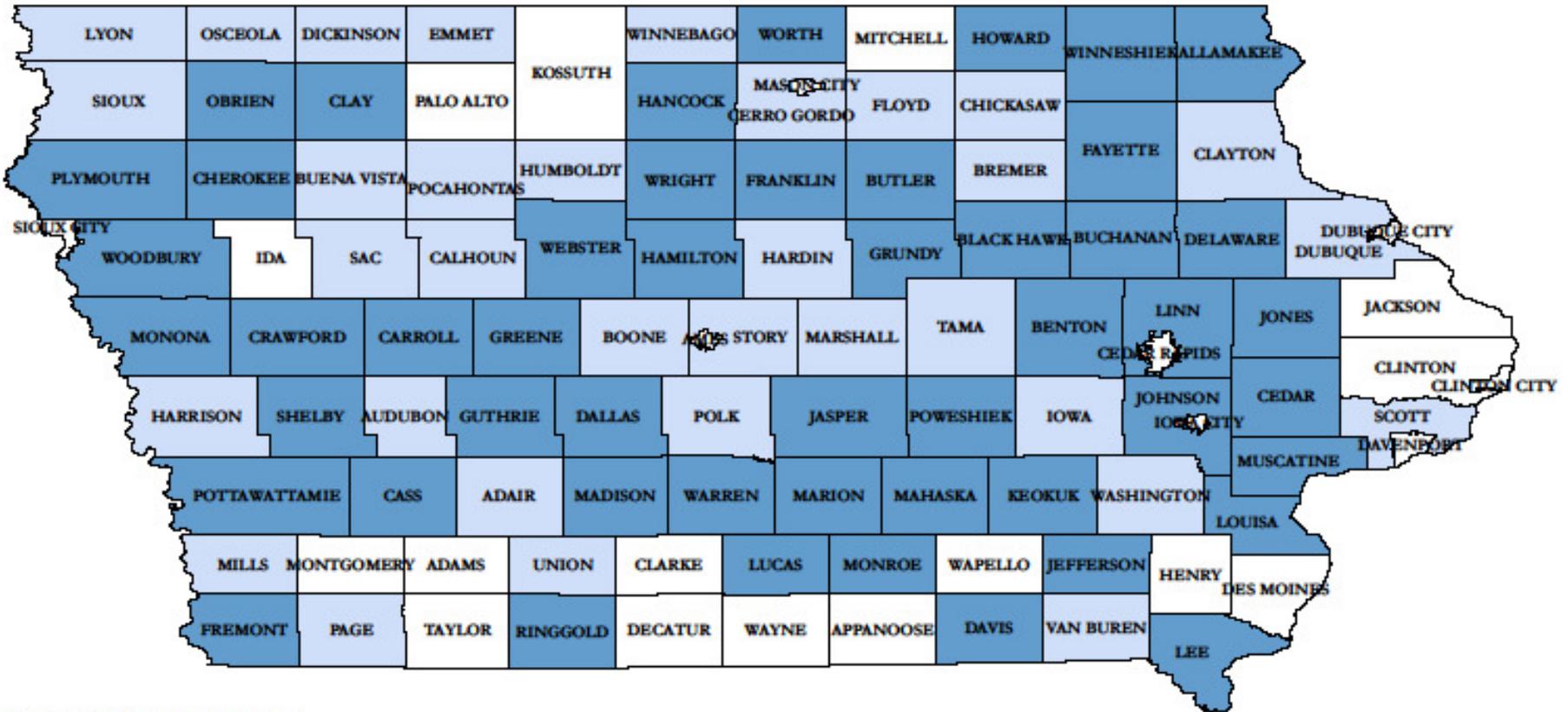
## Rule 71.3(1)

How did we get here?

- Taxpayers
- Informal & Formal Committees
- Compromise Rule 71.3(1)



# Survey of Land Use Adjustments



## Survey Responses

- Adjustments
- No Adjustments
- No Response

The map is based on survey results gathered July 1, 2011.

# 71.3 Agricultural Adjustments

## Rule 71.3(1)

In 2011

- 15 counties not using CSR's
- 44 counties adjust land use
- 50 counties do not adjust land use
- 5 counties unknown
- Digital CSR soil surveys available for all counties
- 93 counties have digital parcels



# 71.3 Agricultural Adjustments

## Rule 71.3(1)

June 2013 Noticed Rule 71.3(1) was enacted:

<http://search.legis.state.ia.us/nxt/gateway.dll/ic?f=templates&fn=default.htm>

Distribution of Productivity Value to Parcels  
Adjustment to Non-Cropland CSR's



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# 71.3 Agricultural Adjustments

## Rule 71.3(1)

### When

- 2017 Full Implementation
- 2019 Hardship extension
- Interim
  - Taxpayers may apply for adjustment

### Steps

- Computerized Parcel maps
- Land Use map
- Soils CSRs map
- Calculate the adjustment to CSR's



# 71.3 Agricultural Adjustments

## Rule 71.3(1)

### 1. Cropland

- a. Land that at some time has been in production and is capable of crop production
- b. Land currently enrolled in an active conservation reserve program receiving payments for land that was once in crop production
- c. Land that consists of manmade grass waterways or crossable waterways and is capable of crop production
- d. Land that consists of manmade terraces, buffer strips, or similar manmade objects that are capable of crop production
- e. Tillable pasture
- f. vineyards



# 71.3 Agricultural Adjustments

## Rule 71.3(1)

### 2. Non-cropland

- a. Forested land
- b. Dedicated ponds and dam area (not occasional ponding water in a field area)
- c. Land that is under permanent easements that precludes any type of crop production
- d. Permanent pasture
- e. Non-crossable waterways
- f. Building sites including driveways or maintained access roads
- g. Other land which cannot be cropped due to access limitations, or land cover which would limit the ability to be cropped



# 71.3 Agricultural Adjustments

## Rule 71.3(1)

### Applications by Taxpayers for Interim Adjustment 2014

- Assessor approves
- <http://www.iowa.gov/tax/locgov/AgAdjustmentRule.html>
- Assistance in determining non-cropland on back of the application



# 71.3 Agricultural Adjustments

## Rule 71.3(1)

### Policy Letters

- 2014 Valuation Changes in non-equalization year

<http://www.iowa.gov/tax/locgov/AgAdjust062613.pdf>

- Procedures recommended for interim period for some counties

<http://www.iowa.gov/tax/locgov/AgAdjustInterim062613.pdf>

<http://www.iowa.gov/tax/locgov/2008FSACroplandCSR.pdf>



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## Rule 71.3(1)

### Implementation

- **40+ Counties fully implementing for 2014**
  - **No loss in aggregate agricultural valuation**
  
- **Those not fully implementing for 2014**
  - **Likely some loss in agricultural values for counties that have not made adjustments**
  - **Caused by adjustments for those that apply**



# 71.3 Agricultural Adjustments

## Rule 71.3(1)

What does this mean to conference boards & supervisors?

- Implementation is required by 2017 or 2019 if extension for hardship is requested
  - Cost estimates for land use digital map \$20,000-30,000
  - Cost estimates for software to calculate cropland and non-cropland acres and soils +/- \$5,000
  
- Need digital parcel maps



# 71.3 Agricultural Adjustments

## Rule 71.3(1)

### What does this mean to taxpayers?

- Non-cropland with high CSR ratings will be adjusted to reflect the land's inability to be cropped
- Landowners can be assured non-cropland in different counties is valued and therefore taxed in the same manner
  - by adjusting high CSR ratings on the non-cropland by using the same methods
- Improved equity and fairness to taxpayers



# 71.3 Agricultural Adjustments

## Rule 71.3(1)

### IOWA Access Funds

- **Department is applying for funds**
  - **Funds Approved**
  
- **Counties will need to apply to IDR**
  - **Provide evidence of need**
    - **IDR developing application**
    - **# of Agricultural Acres & Parcels**
    - **Staffing Levels**
    - **Budget and Levy Limitations**



# 71.3 Agricultural Adjustments

## Rule 71.3(1)

### How did we get here?

- Technology and changes

### What is it?

- Adjustments for non-cropland with high CSR ratings

### What does it mean:

- Supervisors – rule must be implemented
- Taxpayers – improved equity and fairness



**Questions?**

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