

Review of Agricultural Land Valuation Procedures

Office of State Tax Commissioner Cory Fong, Tax Commissioner

February 2012

In accordance with N.D.C.C. § 57-02-27.2, the Property Tax Division of the Office of State Tax Commissioner will conduct a review of the valuation procedure used by each county to determine the value for agricultural land. The following is a brief narrative of the components each county will be required to provide to the Property Tax Division. If the requested material is not available, documentation from the Director of Tax Equalization indicating the reason why will be required in its place.

Valuation schedule

A valuation schedule lists the total taxable acres for each mapping unit/soil classification for a county, and the Mapping Unit/Soil Classification (MU/SC's) corresponding value per acre. The method by which the MU/SC are indexed must accompany the schedule, as well as the source. This source may be crop yield, animal unit month, a determination of a county soil committee, NRCS MU Index, or a combination of the aforementioned.

Data sheets or property records

To complete the review of agricultural land valuation procedure, each county will be asked to provide assessment information for selected parcels to ensure this method of valuation is being implemented consistently throughout the county.

A parcel data sheet or property record includes information relevant to the valuation of a specific parcel. The information should include:

1. The legal description of the parcel;
2. Acreage – deeded, taxable, and exempt;
3. Mapping units/soil classification;
4. Acreage of mapping units/soil classifications;
5. Value per acre for mapping units/soil classification;
6. Acreage, modifier name, and percentage of acres subject to modification; and
7. Total valuation.

Some counties already have property tax programs that can generate a data sheet, while others may use a property card that is updated by writing in changes by hand. A Microsoft Excel spreadsheet or Microsoft Access database may also be means for generating these records.

Certification of compliance or noncompliance

The soil survey method of valuation must be implemented as of February 1, 2012 for use as the basis for the 2012 agricultural assessments. Compliance is dependent on the implementation of the soil survey method of valuation by the county. Application of modifiers and consideration for actual use are not components of compliance.

Completion of the review will be followed by a letter of compliance. This letter will be sent to the County Director of Tax Equalization and the County Auditor acting as secretary to the Board of County Commissioners.

For any county that has not met with the requirements for compliance, the Tax Commissioner shall direct the State Treasurer to withhold five percent of that county's allocation each quarter from the state aid distribution fund under N.D.C.C. § 57-39.2-26.1 beginning with the first quarter of 2013.

The amount withheld from the allocation must be deposited into the agricultural land valuation fund. The amount withheld from the allocation must be withheld entirely from the portion of the allocation which may be retained by the county and may not reduce allocations to any political subdivisions within the county.

1. Valuation schedule for soils (See Attachment #1)

- Total taxable acres for each mapping unit/soil classification for county
- Index of mapping unit/soil classification
 - Source of index
 - Crops chosen
 - Other
- Explanation of methodology used to apply indexes
 - Example: average of yields
 - Involvement of county soils committee
 - Adjustments made to specific mapping units/soil classifications
 - Example: mapping unit in Region A is prone to water retention, while in Region B it is well drained. The mapping unit will have both wet and dry phases and associated indexes
 - Evidence of uniform application throughout county

2. Data sheets or property records for selected parcels within selected townships (See Attachment #2)

- Legal description
- Acreage – deeded, taxable, and exempt
- Mapping units/soil classification
- Acreage of mapping units/soil classifications
- Value per acre for mapping units/soil classification
- Acreage, modifier name, and percentage of acres subject to modification
- Total valuation

Example County		
Mu Symbol	MuName	Map Unit PI
Ac	Aquents	50
Af	Southam silty clay loam	0
BoA	Bowbells loam, 0 to 3 percent slopes	98
CaE	Cabba complex, 15 to 35 percent slopes	18
FbB	Falkirk and Max loams, 3 to 6 percent slopes	79
GaB	Grail silty clay loam, 2 to 6 percent slopes	94
Gn	Grano silty clay	70
Hs	Heil silty clay loam	39
KrB	Krem loamy fine sand 0 to 6 percent slopes	50
LmB	Linton-Mandan silt loams, 3 to 6 percent slopes	84
Ma	Makoti silty clay loam	99
MdB	Mandan silt loam, 3 to 6 percent slopes	89
MIC	Max-Zahl loams, 6 to 9 percent slopes	62
MID	Max-Zahl loams, 9 to 15 percent slopes	45
NmD	Noonan-Miranda complex, 6 to 15 percent slopes	30
Pa	Parnell silty clay loam	75
RgC	Regent silty clay loam, 3 to 9 percent slopes	70
RpB	Roseglen-Tansem silt loams, 3 to 6 percent slopes	89
RsA	Ruso coarse sandy loam, 0 to 2 percent slopes	40
RtB	Ruso-Manning coarse sandy loams, 2 to 6 percent slopes	39
RyC	Ruso-Wabek complex, 6 to 9 percent slopes	29
RzA	Ruso soils, 0 to 2 percent slopes	41
St	Straw loam, 0 to 2 percent slopes	95
Tp	Tonka-Parnell complex	82
Tr	Trembles fine sandy loam, 0 to 2 percent slopes	64
VwC	Vebar-Williams fine sandy loams, 3 to 9 percent slopes	58
WaD	Wabek-max-zahl loams, 6 to 15 percent slopes	35
WoA	Williams-Bowbells loams, 0 to 3 percent slopes	92
WoB	Williams-Bowbells loams, 3 to 6 percent slopes	87

USDA-NRCS, North Dakota
 FOTG - Section II
 Interpretive Table

Value per Soil Class 2012								
Cropland				Product	\$ per Ac	Proof	Adjusted \$	
					\$539.22		\$468.41	
Map Unit	Map Unit			Avg PI	x PI	\$ per Ac	x \$ per Ac	
Symbol	Prod. Index	Weighted PI	Acres	x Acres	÷ Crop PI	x Soil Class Acres	÷ County \$/Ac	
Ma	99	1.0000	33,899.24	33,899	659.05	22,341,239	664.78	
BoA	98	0.9899	46,489.78	46,020	652.39	30,329,468	658.06	
St	95	0.9596	728.29	699	632.42	460,585	637.92	
GaB	94	0.9495	136,878.61	129,966	625.76	85,653,159	631.20	
WoA	92	0.9293	71,901.76	66,818	612.45	44,036,233	617.77	
RpB	89	0.8990	1,634.59	1,469	592.48	968,462	597.63	
MdB	89	0.8990	19,992.49	17,973	592.48	11,845,150	597.63	
WoB	87	0.8788	55,988.12	49,202	579.16	32,426,080	584.19	
LmB	84	0.8485	287,849.11	244,236	559.19	160,962,344	564.05	
Tp	82	0.8283	11,307.89	9,366	545.88	6,172,751	550.62	
FbB	79	0.7980	30,926.06	24,678	525.91	16,264,324	530.48	
Pa	75	0.7576	8,139.40	6,166	499.28	4,063,840	503.62	
RgC	70	0.7071	5,930.10	4,193	465.99	2,763,367	470.04	
Gn	70	0.7071	34,211.52	24,190	465.99	15,942,226	470.04	
Tr	64	0.6465	2,017.05	1,304	426.05	859,364	429.75	
MIC	62	0.6263	116,195.47	72,769	412.74	47,958,518	416.33	
VwC	58	0.5859	29,788.86	17,452	386.11	11,501,777	389.47	
KrB	50	0.5051	21,234.45	10,724	332.85	7,067,887	335.74	
Ac	50	0.5051	39,579.13	19,989	332.85	13,173,913	335.74	
Total Cropland Acres			954,691.92	781,113		514,790,687		
Average Crop PI				0.8182				
Noncropland					\$124.15		\$468.41	
Map Unit	Map Unit			Avg PI	x PI	\$ per Ac	x \$ per Ac	
Symbol	Prod. Index	Weighted PI	Acres	x Acres	÷ NCrop PI	x MU Acres	÷ County \$/Ac	
MID	45	1.0000	5,957.57	5,958	182.80	1,089,044	184.39	
RzA	41	0.9111	2,340.51	2,132	166.55	389,812	168.00	
RsA	40	0.8889	2,542.91	2,260	162.49	413,197	163.90	
RtB	39	0.8667	580.51	503	158.43	91,970	159.81	
Hs	39	0.8667	32,521.66	28,185	158.43	5,152,407	159.81	
WaD	35	0.7778	23,013.79	17,900	142.18	3,272,101	143.42	
NmD	30	0.6667	94,589.20	63,059	121.87	11,527,586	122.93	
RyC	29	0.6444	395.14	255	117.81	46,551	118.83	
CaE	18	0.4000	25,896.35	10,359	73.12	1,893,541	73.76	
Af *	0	0.2000	11,244.95	2,249	36.56	411,115	36.88	
W**			7,105.93	7,106	12.42	88,256	12.42	
Inundated Land**			207.56	208	12.42	2,578	12.42	
Total Noncropland Acres			206,396.08	140,173		24,378,158		
Average NonCrop PI				0.6791				
County Totals			1,161,088.00			539,168,845		
Average Value Before Adjust.						\$464.37 After Adjust.	\$468.40	

* A non-water or inundated map unit that does not have a Map Unit PI, as determined by Natural Resource Conservation, is assigned a weighted PI of 1/2 the lowest non-cropland weighted PI.

** Water, intermittent water, rivers, lakes, etc. will not be assigned a PI. The value per acre is 10% of the average noncropland value.

RURAL LAND OWNER - DATASHEET

PARCEL NUMBER 11-0002-09381-000
 TOWNSHIP 150
 RANGE 86
 SECTION 02
 LEGAL DESCRIPTION: S2NE4, LOTS 1-2 2-150-86

SOIL TYPE	INDEX	SOIL NAME	MOD CODE	MOD %	MAX VALUE	MODIFIED VALUE	NUMBER ACRES	VALUE OF LAND
Pa	75	PARNELL SILTY CLAY LOAM			503.62		17.00	\$8,561.54
Tp	82	TONKA-PARNELL COMPLEX			550.62		15.00	\$8,259.30
Ma	99	MAKOTI SILTY CLAY LOAM			664.78		8.00	\$5,318.24
BoA	98	BOWBELLS LOAM, 1-3% SLOPES			658.06		9.00	\$5,922.54
WoA	92	WILLIAMS-BOWBELLS LOAM, 1-3% SLOPES			617.77		95.00	\$58,688.15
WoB	87	WILLIAMS-BOWBELLS LOAMS, 3-6% SLOPES			584.19		14.00	\$8,178.66
R	0	ROADS - COUNTY ROW EASEMENT - EXEMPT			0.00		1.58	0.00

TOTAL DEEDED ACRES: 159.58
 TOTAL EXEMPT ACRES: 1.58
 TOTAL TAXABLE ACRES: 158.00

** UNMODIFIED VALUE PER ACRE AND TOTAL VALUE \$600.81 94,928.43
 ** MODIFIED VALUE PER ACRE AND TOTAL VALUE 94,928.43

AVERAGE VALUE PER ACRE, TAXABLE ACRES AND TRUE AND FULL VALUE (ROUNDED TO HUNDREDS) \$600.63 158.00 \$94,900.00

** VALUE PER ACRE CALCULATED BY DIVIDING TOTAL VALUE BY TAXABLE ACRES
 MODIFIER CODES: A - Salinity
 B - Nonconformity
 C - Inaccessibility

RURAL LAND OWNER - DATASHEET

PARCEL NUMBER 11-0002-09381-000
 TOWNSHIP 150
 RANGE 86
 SECTION 02
 LEGAL DESCRIPTION: S2NE4, LOTS 1-2 2-150-86

SOIL TYPE	INDEX	SOIL NAME	MOD CODE	MOD %	MAX VALUE	MODIFIED VALUE	NUMBER ACRES	VALUE OF LAND
Pa	15	PARNELL SILTY CLAY LOAM			503.62		17.00	8,561.54
Tp	40	TONKA-PARNELL COMPLEX			550.62		0.00	0.00
			A	10%		495.56	15.00	7,433.37
Ma	85	MAKOTI SILTY CLAY LOAM			664.78		0.00	0.00
			C	70%		199.43	8.00	1,595.47
BoA	99	BOWBELLS LOAM, 1-3% SLOPES			658.06		7.00	4,606.42
			C	70%		197.42	2.00	394.84
WoA	88	WILLIAMS-BOWBELLS LOAM, 1-3% SLOPES			617.77		95.00	58,688.15
WoB	74	WILLIAMS-BOWBELLS LOAMS, 3-6% SLOPES			584.19		14.00	8,178.66
R	0	ROADS - COUNTY ROW EASEMENT - EXEMPT			0.00		1.58	0.00

TOTAL DEEDED ACRES: 159.58
 TOTAL EXEMPT ACRES: 1.58
 TOTAL TAXABLE ACRES: 158.00

** UNMODIFIED VALUE PER ACRE AND TOTAL VALUE \$600.81 94,928.43
 ** MODIFIED VALUE PER ACRE AND TOTAL VALUE \$566.19 89,458.45

AVERAGE VALUE PER ACRE, TAXABLE ACRES AND TRUE AND FULL VALUE (ROUNDED TO HUNDREDS) \$566.46 158.00 \$89,500.00

** VALUE PER ACRE CALCULATED BY DIVIDING TOTAL VALUE BY TAXABLE ACRES
 MODIFIER CODES: A - Salinity
 B - Nonconformity
 C - Inaccessibility