

# Agricultural Appraisal

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# Agricultural Appraisal Statutes

- **Section 1-d**

- Agricultural Appraisal - Constitutional Amendment 1966 (Very Restrictive)

- **Section 1-d-1**

- Open Space Land - Constitutional Amendment 1978 (Most Common Today)

# Agricultural Land Appraisal

## ● Qualified open-space

- Land that is currently devoted principally to agricultural use to the degree of intensity generally accepted in the area and that has been devoted principally to agricultural use or to production of timber or forest products for five of the preceding seven years.



# Agricultural Use includes the following activities:

- Producing crops for human food, animal feed, or the production of fibers
- Floriculture
- Viticulture
- Horticulture
- Raising or Keeping Livestock
- Raising Exotic Game for Commercial Use
- Leaving the land idle or planting cover crops (Must be consistent with agricultural use)
- Wildlife Management

# Agricultural “Livestock” Appraisal

## ○ Livestock

- A domesticated animal that derives its primary nourishment from vegetation, supplemented as necessary with commercial feed.
- Livestock includes meat or dairy cattle, horses, goats, swine, poultry, and sheep. Wild animals are not livestock.



# Primary Use

- If the land is used for more than one purpose, the most important use must be agricultural.
  - **Hobby gardening**
    - Not the primary use of residential land
  - **Fish**
    - Commercial fish production differs from keeping game fish for sporting or recreational use. Taking fish by individual line is a recreational use
  - **Horses**
    - Land used primarily to raise or keep horses qualifies for agricultural appraisal. Land used primarily to train, show, or race horses, to ride horses for recreation, or to keep or use horses in some other manner that is not strictly incidental to breeding and raising does not qualify. Land used as a stable, where horses are kept and fed and cared for does not qualify

# Degree of Intensity

- The Measure of what the owner is putting into his agricultural enterprise (Time, Labor, Equipment, Management, and Capital, and compares it to typical levels of inputs for the same enterprise in the area)
  - **Dry Cropland**
    - Requires tilling the soil, planting, applying herbicides, and harvesting a crop
  - **Raising Beef Cattle**
    - Requires fences, proper management of land for long range forage, enough animal units to match the land's carrying capacity, and herd management procedures to get the cattle to market.



# History of Use

## ○ 5 to 7 Years

- Land must have a history of agricultural use in 5 of the last 7 years to qualify.

## ○ Incorporated Land

- Land located in an incorporated city or town must have been devoted to agricultural use continuously for the preceding five years.



# Wildlife Management

- Land must be appraised as qualified open-space land at the time wildlife management began.
- Must be used in at least three of the following ways to propagate a sustaining breeding, migrating, or wintering population of indigenous wild animals for human use, including food medicine, or recreation.
  - **Habitat Control**
  - **Erosion Control**
  - **Predator Control**
  - **Provide Supplemental Water**
  - **Provide Supplemental Food**
  - **Provide Shelters**
  - **Making Census Counts**

# Agricultural Appraisal Calculation

## 50 Acre Tract of Land

### Market Value

\$20,000/Acre or \$1,000,000

### Ag Value

\$100/Acre or \$5000

### Tax Rate

\$3.00/\$100 of Value

### Tax Rate

\$3.00/\$100 of Value

### Tax at Market Value

\$30,000

### Tax at Ag Value

\$150

Property Tax Savings

**\$29850**



# Use Change - Roll Back

## ○ Rollback Tax

- Imposed when land is taken out of agricultural use. It is triggered by a stoppage or cessation of the agricultural use.

# Roll Back Tax Calculation

Use Change occurred in 2011

Year	Tax Paid	Tax on Market Value	Difference	Interest (7%)	Total
2010	\$150	\$30,000	\$29,850	(1) \$2,089	\$31,253
2009	\$150	\$30,000	\$29,850	(2) \$4,179	\$34,029
2008	\$150	\$22,500	\$22,350	(3) \$4,693	\$27,043
2007	\$150	\$22,500	\$22,350	(4) \$6,258	\$28,608
2006	\$150	\$22,500	\$22,350	(5) \$7,822	\$30,172
				<b>ROLLBACK TAX TOTAL =</b>	<b>\$151,105</b>



# Things to know

- Must file an application
- Do not have to reapply each year
- Filing deadline is April 30th
- Must file a Wildlife Management plan with a new application when applying for wildlife management
- Agricultural Value is not related to the market value
- Agricultural appraisal only applies to the land value, improvements(barns, etc.) are taxed at market value