

Land Values Q&A from 2016 Town Hall Meetings

1. Why have the estimated market value for 2017 gone up and land values down?
We have found a small percentage of properties that went up when we switched to the Crop Production Index. What we found are certain parcels where the previous year's breakdown was not correct and when the changes were applied their value went up instead of down.
2. Did you take account field size and shape if soil types are equal?
We will be analyzing the sales to compare the soil ratings to field size. We will also be trying to get information on drainage and tiling issues if any. With the Crop Production Index applied we will be able to analyze our sales better.
3. How will non-tillable land be taxed into the future?
They are not treated any differently than we currently handle them.
4. Can landowners challenge the Crop Production Index on his or her land?
We are asking for a 5 year history from the FSA office on what was filed with them on the actual production on the farm.
5. 2 years ago there was a rainfall event where a majority of the field flooded. How does that effect the rating?
It would not affect the rating as extreme weather cannot be factor into it. It is important to understand that changing to CPI does not change our requirement to adjust values on properties only due to market changes.
6. Will rural residents less than 20 acres be subject to Crop Production Index?
They will only if they meet the qualifications to be classified as agricultural. So if the property has over 10 acres in tillable land then the tillable acreage will have the CPI ratings applied. If they do not meet the 10 acres in production they are classed as residential and value as such.
7. If we have gravel pockets in a field and the soil test missed them what happens?
We used current aerial photography and would delineate those areas as waste.
8. What outside influences will be considered regarding value or just soil types?
We only used agricultural sales of 35 acres or more to determine our values on ag land.
9. Two neighbors bid against each other on a piece of land then find out it has a very low CPI. How is this value determined?
We could end up raising our lower end price per acre to meet the sale price.
10. Have other counties gone to the Crop Production Index and incurred problems?
There are several counties that have moved to the Crop Production Index and have found it a better way of valuing their farm land and most property owners have been receptive to the change.

11. As you compared the ABC valuation to the Crop Production Index have you determined any type of land benefit or fall behind in the Crop Production Index.
We did not compare the two systems.
12. What year were the soil tests taken? Did they need permission to take the samples?
The soil borings were taken in the late 1980's. From what I have been told they did not need permission.
13. Soil Maps – what are their accuracy?
As far as I know very accurate.
14. For real estate tax purposes –will a specific soil type be valued at the same value per acre whether it is in the north end of the county or the southern end of the county?
We may make adjustments if the sales dictate that it is necessary.
15. Are the buffer strips being taken out of the taxable area for the properties?
No. They will be taxed.
16. How does tiling affect the Crop Production value?
That will depend on the real estate market.
17. Flooding – where do you start measuring on a creek that floods? Is it measured from the water or the creek bottom?
Neither. Our delineation of the soils is based on what the current use is. Each parcel was touched and each class of property was identified. Only the tillable acres have the Crop Production Index numbers assigned to them. The rest (wetland, pasture, waste, woods etc) are valued differently than the tillable. If an area floods continuously that a crop can never be harvested on that area than the aerial photography will show and we would not class it as tillable so would not have the CPI applied to it. We would still identify it as waste or meadow (if it is being cut for hay) but we would consider that tillable.
18. How will change to Crop Production Index affect the qualified farm property exclusion for the MN estate taxes which require a class 2a property tax classification with homestead?
The Crop Production is not related to homestead in any way. All productive land is considered 2a. Since the CPI is only applied to tillable all would be put in the bucket of 2a land. As for the homestead – that is based on occupancy and proximity of the land to the home that determines whether a parcel qualifies for homestead.
19. How do you apply CPI on a farm that has multiple soil types?
Each soil type will have its own CPI rating. Each farm will have different soils within the property lines. After the soil type is identified the CPI rating for the individual soils will be used to determine the market value for each parcel. We are grouping them by increments of 10 with the lowest CPI have the lowest value per acre and increasing till it reaches the highest CPI rating of 100.

20. How is CRP ground value compared to tillable?

If the land was tillable when it went into the CRP program it will stay as tillable. Statue does not allow us to reduce value for conservation programs unless for water quality control.