Classification / Valuation / Taxation / Info Sheet

Classification:

For tax purposes, all properties in the county are classified into two categories. AG property or Non-AG property.

To be classified as AG land, the land owner must meet 2 of the 3 criteria:

1. A minimum of 60 acres of land (must be contiguous).
2. Land must be used for Agricultural purposes.
3. At least 1/3 of your gross income must come from the AG use.

If any property does not meet the AG classification, then it is considered Non-AG.

Non-AG can include any other class code, residential, commercial, rural, or urban. As long as it is not used for AG, it is considered Non-AG.

Owner occupied is the third tax classification. Owner occupied can be applied to either AG or Non-AG properties. If the property owner meets the qualifications for owner occupied, they will be taxed at the lower owner occupied rate. AG properties will not have the owner occupied rate applied to the AG land or AG buildings, but only to the Non-AG buildings.

Valuation:

AG land is valued with the productivity method. The state department determines the top dollar amounts for the crop and non-crop soils for each county. These amounts are then applied to the soil survey for each parcel to determine the value.

Commercial and residential properties are valued in a combination of ways. Cost Approach, Sales Approach and/or Income Approach. The land and buildings are calculated separately.

Taxation:

Property taxes are calculated using Assessed Value (AV), a Factor (F), and the Mil Levy (ML).

Assessed Value is determined by the **Department of Equalization**, and adjusted annually. The DOE is required by the Department of Revenue to value property within 85-100% of market

value. Each year we review the sales in the county to determine if there needs to be an increase or decrease to stay within the window set by the Department of Revenue.

The Factor is determined by the **Department of Revenue** each year and is used to adjust the Assessed Value to reach the Taxable Value (TV) for each property. (85%)

The Mil Levy is calculated by the **Auditor** each year and is a budget driven number which includes tax rates for the school, fire, and tax districts among other things. The Auditor's office applies the appropriate Mil Levy to all of the properties and the taxes are figured.

The **Treasurer's** office bills the taxes to the property owners and collects the payment.

Following is an example of how the taxes are figured:

    $ 85,690   Assessed Value

   X   .966   x Factor   (Ag=.850   Non-Ag=.966)

  = 82,777   = Taxable Value

  X .020639   x Mil Levy (found on Mil Levy sheet for appropriate tax district)

  = $ 1708.43   = Taxes due