Classification / Valuation / Taxation / Info Sheet

Classification:

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

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

1. A minimum of 160 acres of land (does not have to be contiguous) (minimum acres may be changing)
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 land.

Non-Ag land can include any code, residential, commercial, rural, or urban. As long as it is not used for AG, it is considered Non-Ag, and they are all taxed the same.

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. (the Ag land and Ag building tax rates are lower than owner occupied).

We do not currently have county planning and zoning. We code all properties into categories for our purposes in this office. We will code all properties as rural or urban, and as residential, commercial, or agricultural. This code does not have any impact on the tax classifications. It also does not reflect the zoning classifications that the city may have on a particular property. Residential or commercial code is only for our office to determine the property type and use.

Valuation:

We value Ag land on the land use / soil valuation method. These values and designations are dictated by the state department. The computer then applies the values to the Ag property .

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 seperately.

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.

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