



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER

Ryan Rauschenberger, Commissioner

AGRICULTURAL LAND VALUATION

TAXATION COMMITTEE
SENATOR COOK, CHAIRMAN
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Source Materials for Soil Properties

United States Department of Agriculture Natural Resources Conservation Service

<http://www.nrcs.usda.gov/wps/portal/nrcs/site/soils/home/>

Web Soil Survey

USDA Natural Resources Conservation Service web-based soil survey is available for all 53 North Dakota counties. It also provides links to the published soil surveys.

<http://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm>

Field Office Technical Guide

USDA Natural Resource Conservation Service that provides web-based soil information by State and County selection.

http://efotg.sc.egov.usda.gov/efotg_locator.aspx?map=US

Section II: Soil Information

Guidelines

The current guideline summarizes the statutory definitions, and process by which assessment officials determine the average value per acre for the county, township and each parcel relative to the county average value.

True and Full Value

The true and full value for property classified as agricultural is its agricultural value.

County Average Agricultural Value

Describes the process by which the Department of Agribusiness and Applied Economics at North Dakota State University computes the average agricultural value per acre of cropland, noncropland and inundated agricultural land for each county.

Average Agricultural Value for Each County

The Tax commissioner provides the county average values to each county before January 1 of each year.

Average Agricultural Value for Each Assessment District

The county director of tax equalization determine and estimate of the average value per acre for each township or assessment district, and provides the values to the local assessors

before February 1 of each year. To estimate the average values for each assessment district relative to the county average value, the county director uses soil type and soil classification.

Assessor Estimates Value of Each Parcel of Agricultural Land

First, the assessor uses the soil values and determined by the county director of tax equalization. Second, the assessor shall consider the use of modifiers to adjust for conditions not documented in the soil survey. Third, the assessor shall consider the actual use of the property for cropland or noncropland purposes.

Assessor's or Township Boards' Estimate of Average Value

If the local assessor or township board of equalization develops an average value that differs substantially from the estimate provided by the county director of tax equalization, written evidence to support a change must be provided, and the county board of equalization resolves the matter.

Implementation of Soil Type and Soil Classification Data Required

The county is responsible for implementing use of soil type and soil classification data by February 1 of taxable years after 2011. Any county that has not fully implemented the soil survey method of valuation, the Tax Commissioner shall direct the State Treasurer to withhold 5 percent of that county's allocation each quarter from the state aid distribution. The amount withheld is earmarked for that county, and will be distributed when the county has implemented the soil survey method of valuation.

Property Assessment Manual

Presently, the method for valuing agricultural land is provided to assessment officials by their attending Course 202-Agricultural Land Valuation and the publication "Guide to Assessing Agricultural Land in North Dakota."

Course 202-Agricultural Land Valuation provides instruction on obtaining soil information, developing values for the soils, and application of consideration for modifiers and actual use. We have guest speakers from NRCS, NDSU, as well as county assessment officials who have worked through the implementation of the soil survey method of valuation.

The "Guide to Assessing Agricultural Land in North Dakota" provides examples from real counties who have implemented the soil survey method of valuation. It describes the role of the soil committee, development of the soil values, selection and application of modifiers, and the consideration of actual use.

Both of these resources can be used to develop a property assessment manual for agricultural land valuation. The manual could set the classification of soils, the production index, the value or value range for the soils, as well as the consideration of modifiers and actual use.

The manual would be available to the assessment officials and the public.