



AGRICULTURAL LAND ASSESSMENT UNDER THE PRODUCTIVITY SYSTEM

**PRESENTED BY MICHAEL HOUDYSHELL
DIRECTOR, PROPERTY AND SPECIAL TAXES DIVISION**

Ag Land Assessment - Overview

- Beginning with the 2010 assessments (for taxes payable in 2011) agricultural land in South Dakota is assessed based upon its productivity (agricultural income) value. The Department of Revenue contracts with South Dakota State University (SDSU) to produce the agricultural income value for the productivity valuation system. This value is the starting point for valuing all agricultural land in the state and is adjusted by the county Director of Equalization to ensure uniform and fair valuations.
- The data used to establish the agricultural income value is from official estimates published by the United States Department of Agriculture, National Agricultural Statistics Services (USDA/NASS). These official estimates are based upon surveys of farmers, ranchers and agribusinesses.
- The Department of Revenue sends each county its average assessed value per acre for cropland and non-cropland, along with the background information provided by SDSU. The counties then spread these values according to the soil survey. As with the old market valuation system, the values spread by the soil survey create the base valuation system, upon which the county makes adjustments.

How is Ag Land Assessed in South Dakota?

SDCL 10-6-33.28. Notwithstanding the provisions of § 10-6-33, beginning on July 1, 2009, **agricultural land shall be assessed based on its agricultural income value on a per acre basis.** The agricultural income value of agricultural land shall be determined on the basis of productivity and the annual earnings capacity of the agricultural land. The productivity of agricultural land and its annual earning capacity shall be based on data collected and analyzed pursuant to this section and §§ 10-6-33.29 to 10-6-33.33, inclusive.

Agricultural income value is defined as the capitalized annual earning capacity on a per acre basis which has been adjusted by an amount that reflects the landowner's share of the gross return. The capacity of cropland to produce agricultural products shall be based on the income from crops or plants produced on the land. The capacity of noncropland to produce agricultural products shall be based on cash rents or the animal unit carrying capacity of the land, or a combination of both. For the purpose of this section, **annual earning capacity** for:

- (1) **Cropland is thirty-five percent** of the annual gross return to the land; and
- (2) **Noncropland is one hundred percent** of the annual gross return to the land based on cash rent for noncropland.

The **annual earning capacity shall be capitalized at a rate of six and six-tenths percent** to determine the agricultural income value.

Source: SL 2008, ch 44, § 5; SL 2009, ch 40, § 1.

How is the Agricultural Income Value Determined?

Cropland Agricultural
Income Value =

Gross Revenue per acre x landlord share (35%)
Capitalization rate (6.6%)

Noncropland Agricultural
Income Value =

Average Cash Rent x landlord share (100%)
Capitalization rate (6.6%)

How is the Gross Revenue per Acre and Average Cash Rent Determined?

SDCL 10-6-33.29. **The secretary of revenue shall enter into contracts with South Dakota State University and, if necessary, the South Dakota Agricultural Statistics Service for the purpose of creating a database to determine the agricultural income value of agricultural land by county.** The cropland data may include: acres planted, acres harvested, yield per acre, and statewide crop prices. The noncropland data may include: cash rents, rangeland acres, pastureland acres, rangeland AUM's per acre, pastureland AUM's per acre, grazing season data, and statewide cow and calf prices. The Agricultural Land Assessment Implementation and Oversight Advisory Task Force may recommend other cropland and noncropland data to the Legislature for subsequent use in the database. The secretary shall have such data collected for 2001, which will serve as the first year of the database, and each year thereafter. **The database shall consist of the most recent eight years of data that have been collected and the two years, one year representing the highest agricultural income value and one year representing the lowest agricultural income value, shall be discarded from the database.** The database for the 2010 assessment for taxes payable in 2011 shall consist of data from 2001 to 2008, inclusive, and the database for each assessment year thereafter shall be adjusted accordingly. South Dakota State University shall provide the data for each county to the secretary of revenue by June first of each year.

Source: SL 2008, ch 44, § 6; SL 2009, ch 40, § 2; SL 2011, ch 1 (Ex. Ord. 11-1), § 161, eff. Apr. 12, 2011; SL 2011, ch 49, § 1.

PENNINGTON COUNTY
2013 ASSESSMENT YEAR PRODUCTIVITY INFORMATION

Commodity	Year	Planted All Purposes	Revenue	Revenue Per Acre	Commodity	Year	Planted All Purposes	Revenue	Revenue Per Acre
Corn For Grain	2000	9,000 acres	\$ 640,780		Corn For Grain	2005	3,000 acres	\$ 98,450	
Hay All (Dry)	2000	85,000 acres	\$ 7,727,950		Hay All (Dry)	2005	87,000 acres	\$ 6,175,000	
Oats	2000	3,000 acres	\$ 65,490		Oats	2005	4,500 acres	\$ 58,480	
Soybeans	2000	5,400 acres	\$ 241,882		Sorghum For Grain	2005	1,700 acres	\$ 18,816	
Sunflower All	2000	7,200 acres	\$ 524,353		Wheat All	2005	69,500 acres	\$ 9,033,750	
Wheat All	2000	71,000 acres	\$ 6,356,980				165,700	\$ 15,384,476	\$ 92.85
		180,600	\$ 15,557,215	\$ 86.14					
Corn For Grain	2001	4,000 acres	\$ 435,750		Hay All (Dry)	2006	65,000 acres	\$ 3,633,150	
Hay All (Dry)	2001	102,000 acres	\$ 6,956,100		Oats	2006	4,000 acres	\$ 12,480	
Oats	2001	3,000 acres	\$ 53,440		Wheat All	2006	85,100 acres	\$ 7,627,920	
Soybeans	2001	5,800 acres	\$ 388,220				154,100	\$ 11,273,550	\$ 73.16
Sunflower All	2001	7,500 acres	\$ 638,836						
Wheat All	2001	82,000 acres	\$ 5,023,460						
		204,300	\$ 13,495,806	\$ 66.08					
Corn For Grain	2002	6,000 acres	\$ 10,850		Hay All (Dry)	2007	73,000 acres	\$ 5,839,400	
Hay All (Dry)	2002	71,000 acres	\$ 3,939,000		Oats	2007	4,700 acres	\$ 264,040	
Oats	2002	8,500 acres	\$ 51,740		Sunflower All	2007	4,500 acres	\$ 990,000	
Soybeans	2002	4,400 acres	\$ 58,630				82,200	\$ 7,093,440	\$ 86.29
Sunflower All	2002	4,200 acres	\$ 336,864						
Wheat All	2002	73,700 acres	\$ 3,253,740						
		167,800	\$ 7,650,824	\$ 45.59					
Barley All	2003	1,800 acres	\$ 90,080		Corn For Grain	2008	7,300 acres	\$ 1,062,000	
Corn For Grain	2003	4,500 acres	\$ 91,200		Hay All (Dry)	2008	109,000 acres	\$ 18,250,000	
Hay All (Dry)	2003	96,000 acres	\$ 5,892,700		Oats	2008	2,800 acres	\$ 105,000	
Oats	2003	6,000 acres	\$ 235,950		Sunflower All	2008	8,100 acres	\$ 2,631,690	
Soybeans	2003	2,200 acres	\$ 41,760		Wheat All	2008	74,200 acres	\$ 19,182,800	
Sunflower All	2003	9,000 acres	\$ 567,720				201,400	\$ 41,231,490	\$ 204.72
Wheat All	2003	66,200 acres	\$ 8,131,000						
		185,700	\$ 15,050,390	\$ 81.05					
Barley All	2004	1,600 acres	\$ 125,240		Corn For Grain	2009	13,000 acres	\$ 1,893,800	
Corn For Grain	2004	3,500 acres	\$ 151,060		Hay Alfalfa (Dry)	2009	101,000 acres	\$ 14,634,900	
Hay All (Dry)	2004	53,000 acres	\$ 3,643,750		Hay Other (Dry)	2009	11,000 acres	\$ 1,097,100	
Oats	2004	6,500 acres	\$ 26,820		Oats	2009	2,800 acres	\$ 49,450	
Soybeans	2004	1,800 acres	\$ 94,860		Wheat Other Spring	2009	17,400 acres	\$ 3,370,500	
Sunflower All	2004	7,600 acres	\$ 1,252,622		Wheat Winter All	2009	45,500 acres	\$ 6,420,000	
Wheat All	2004	77,200 acres	\$ 4,145,100				190,500	\$ 27,465,750	\$ 144.18
		151,200	\$ 9,439,462	\$ 62.43					

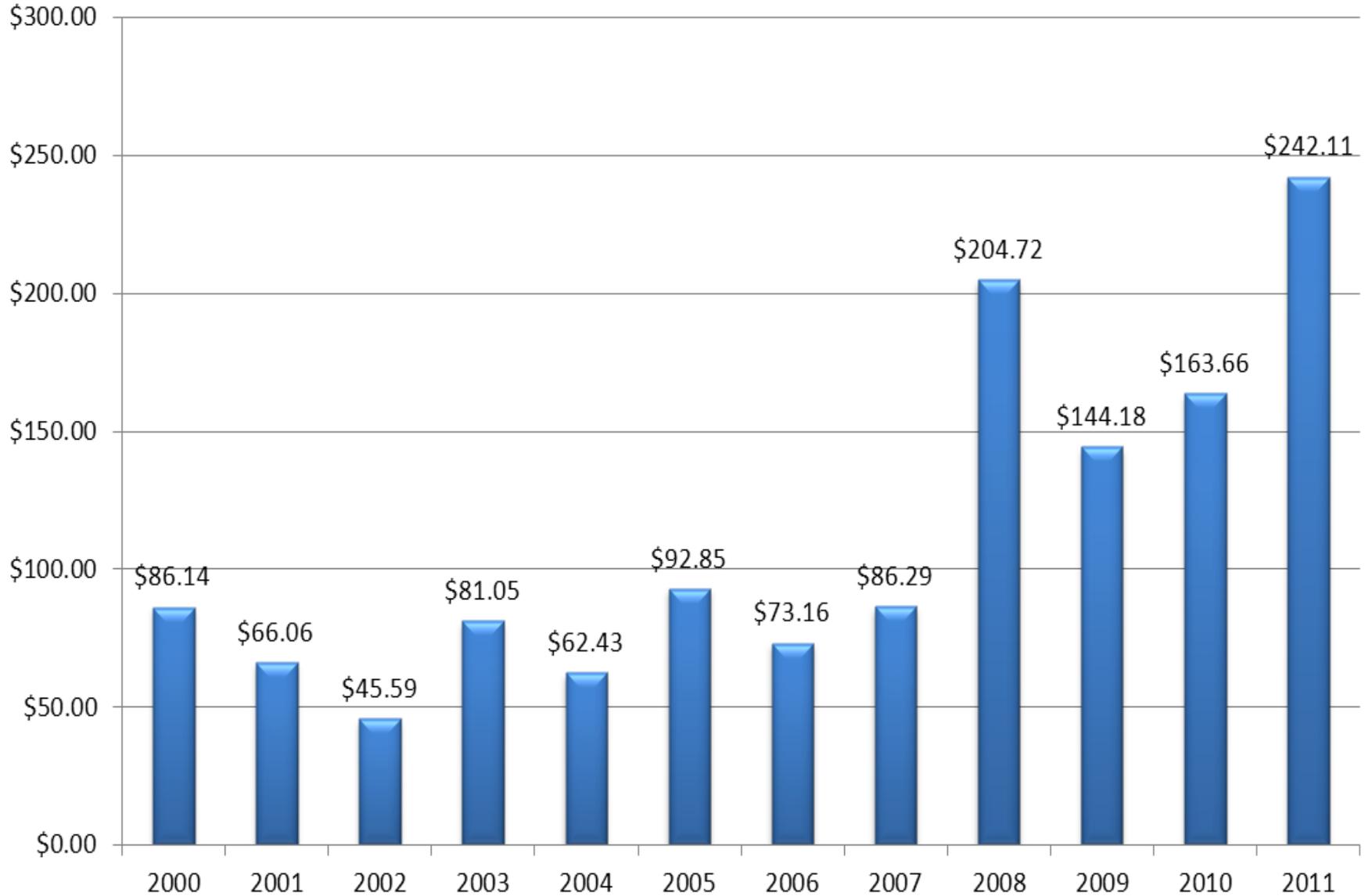
PENNINGTON COUNTY
2013 ASSESSMENT YEAR PRODUCTIVITY INFORMATION

Commodity	Year	Planted All Purposes		Revenue	Revenue Per Acre		Commodity	Year	Planted All Purposes		Revenue	Revenue Per Acre
Corn For Grain	2010	7,800	acres	\$ 2,856,000								
Hay Alfalfa (Dry)	2010	74,000	acres	\$ 10,414,500								
Hay Other (Dry)	2010	16,000	acres	\$ 1,380,000								
Soybeans	2010	1,100	acres	\$ 123,200								
Wheat Winter All	2010	43,700	acres	\$ 8,532,000								
		142,400		\$ 23,305,700	\$ 163.66							
Corn For Grain	2011	11,900	acres	\$ 4,833,950								
Hay Alfalfa (Dry)	2011	84,000	acres	\$ 19,500,000								
Hay Other (Dry)	2011	24,000	acres	\$ 3,640,000								
Wheat Winter All	2011	63,000	acres	\$ 16,308,700								
		182,900		\$ 44,282,650	\$ 242.11							

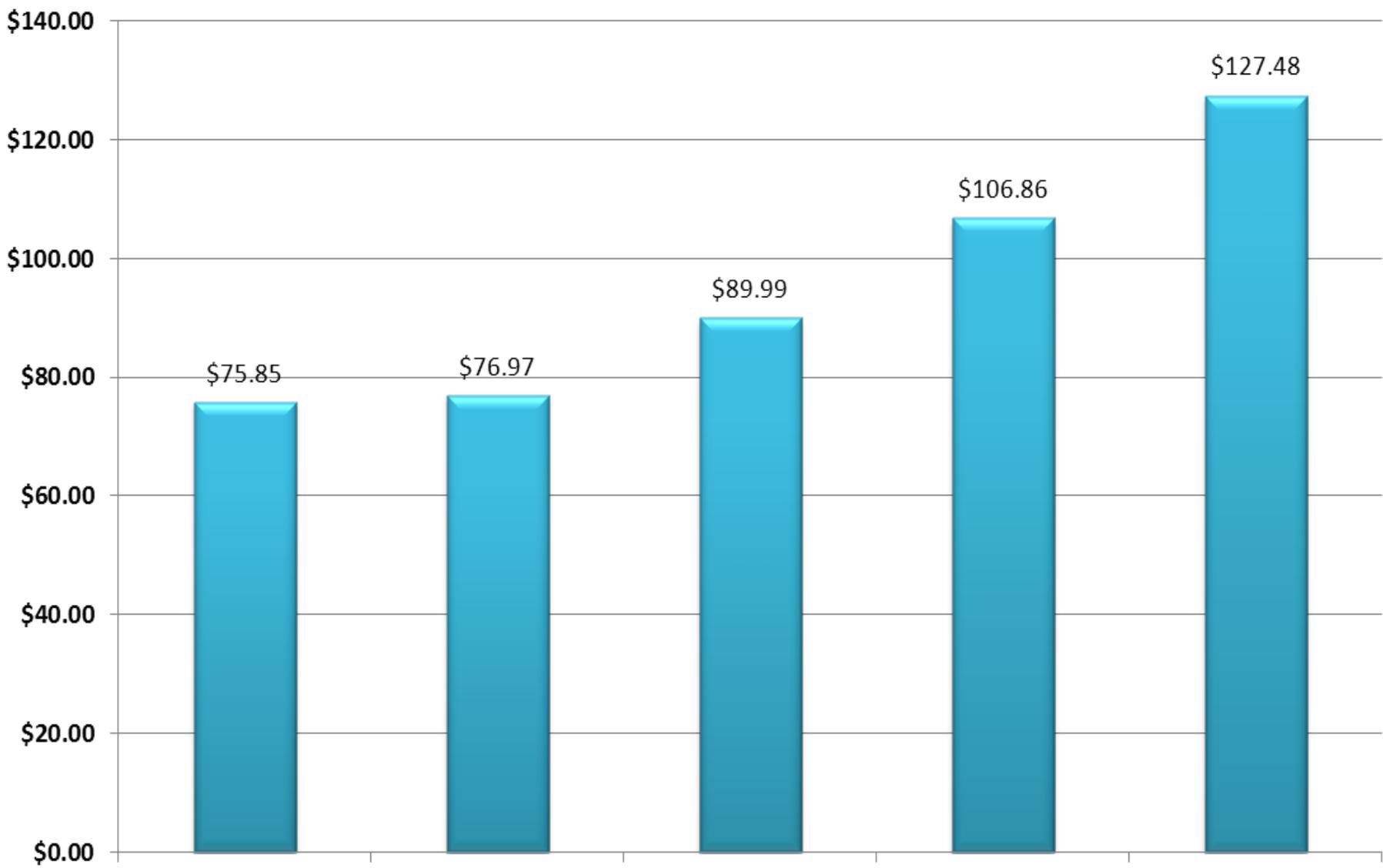
PENNINGTON COUNTY
2013 ASSESSMENT YEAR PRODUCTIVITY INFORMATION

CROP INFORMATION			
Income Per Acre	2000	\$ 86.14	Olympic Average 2000 - 2007 \$ 75.85
Income Per Acre	2001	\$ 66.06	Olympic Average 2001 - 2008 \$ 76.97
Income Per Acre	2002	\$ 45.59	Olympic Average 2002 - 2009 \$ 89.99
Income Per Acre	2003	\$ 81.05	Olympic Average 2003 - 2010 \$ 106.86
Income Per Acre	2004	\$ 62.43	Olympic Average 2004 - 2011 \$ 127.48
Income Per Acre	2005	\$ 92.85	
Income Per Acre	2006	\$ 73.16	
Income Per Acre	2007	\$ 86.29	
Income Per Acre	2008	\$ 204.72	
Income Per Acre	2009	\$ 144.18	
Income Per Acre	2010	\$ 163.66	
Income Per Acre	2011	\$ 242.11	
NON-CROP INFORMATION			
Cash Rent	2000	\$ 9.00	Olympic Average 2000 - 2007 \$ 9.77
Cash Rent	2001	\$ 9.20	Olympic Average 2001 - 2008 \$ 9.80
Cash Rent	2002	\$ 10.70	Olympic Average 2002 - 2009 \$ 9.93
Cash Rent	2003	\$ 8.60	Olympic Average 2003 - 2010 \$ 9.60
Cash Rent	2004	\$ 9.20	Olympic Average 2004 - 2011 \$ 9.60
Cash Rent	2005	\$ 9.60	
Cash Rent	2006	\$ 10.90	
Cash Rent	2007	\$ 12.10	
Cash Rent	2008	\$ 9.20	
Cash Rent	2009	\$ 10.00	
Cash Rent	2010	\$ 8.70	
Cash Rent	2011	\$ 7.60	

Income Per Acre Crop



Olympic Average Crop



2000-2007

2001-2008

2002-2009

2003-2010

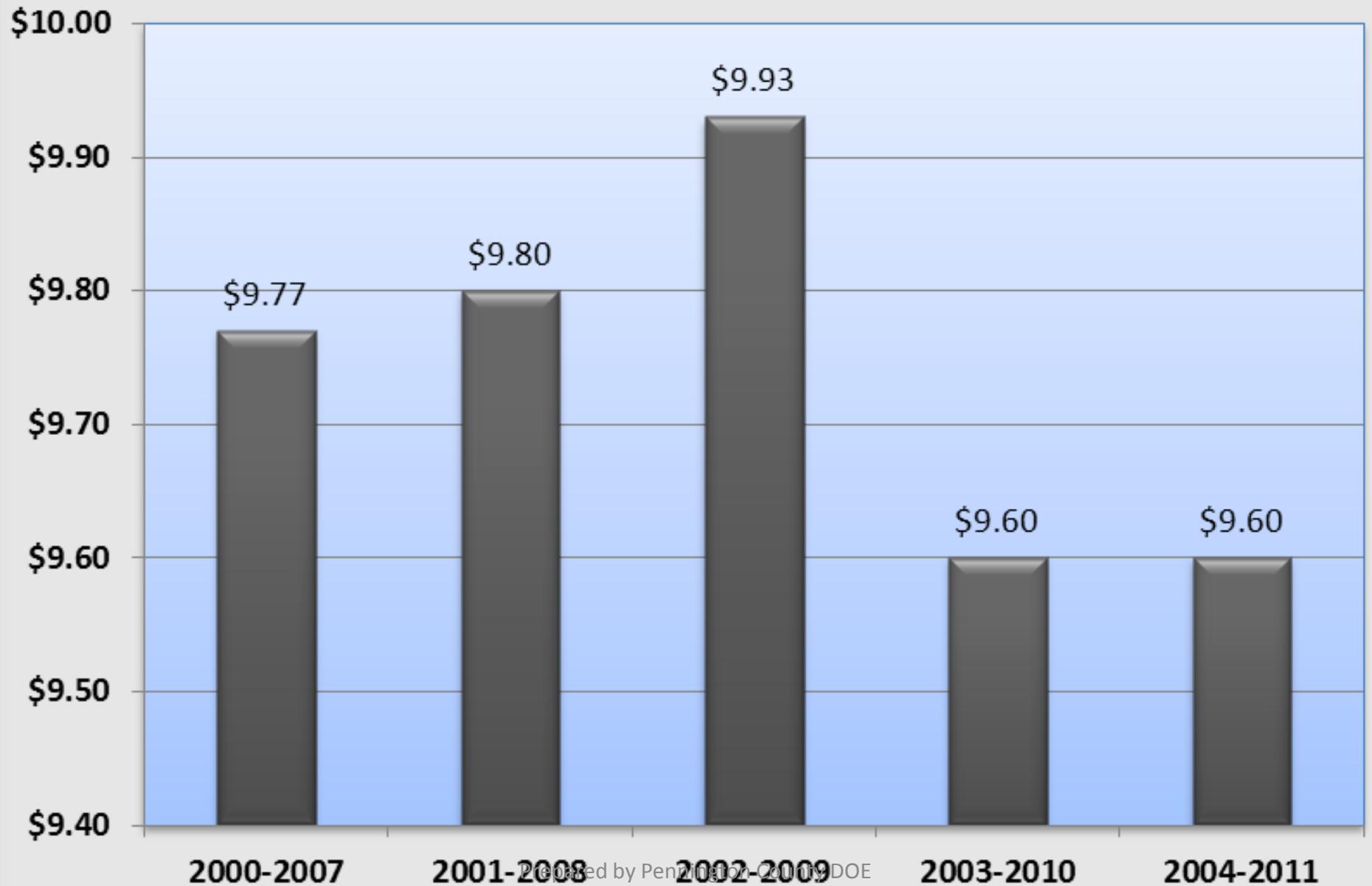
2004-2011



Non-Crop Cash Rent



Olympic Average Non-Crop



How is the Agricultural Income Per Acre applied to Individual Parcels?

- Example:
 - County has a value of \$125/acre for cropland with a rating of 1.000
 - County has a value of \$100/acre for noncropland with a rating of 1.000
 - The rating of each soil type in a parcel is multiplied by these values to determine the value of that particular soil

Map Unit	Rating	Acres	Unit Value	Total
<i>Crop Soils</i>				
HIB	.720	42	90.00	3,780.00
HeA	.820	41	102.50	4,202.50
ReA	.770	8	96.25	770.00
HkA	.810	9	101.25	911.25
<i>Noncrop Soils</i>				
GhC	.630	44	63.00	2,772.00
JbD	.250	14	25.00	350.00
BeE	.260	2	26.00	52.00
TOTAL		160		12,837.75

Ag Land Values – Statutory Limitations on Increases/Decreases

SDCL 10-6-77. For the taxes payable in 2014, 2015, 2016, 2017, 2018, and 2019, the total taxable value of cropland within any county may not increase or decrease more than:

- (1) Fifteen percent in any year, if the county is less than thirty percent from its full agricultural income value;
- (2) Twenty percent in any year, if the county is thirty percent or more but less than fifty percent from its full agricultural income value; and
- (3) Twenty-five percent in any year, if the county is fifty percent or more from its full agricultural income value.

For the taxes payable in 2014, 2015, 2016, 2017, 2018, and 2019, the total taxable value of noncropland within any county may not increase or decrease more than:

- (1) Fifteen percent in any year, if the county is less than thirty percent from its full agricultural income value;
- (2) Twenty percent in any year, if the county is thirty percent or more but less than fifty percent from its full agricultural income value; and
- (3) Twenty-five percent in any year, if the county is fifty percent or more from its full agricultural income value.

Source: SL 2008, ch 44, § 2; SL 2009, ch 40, § 3; SL 2012, ch 62, § 1.

CHANGE IN VALUATION
2013 ASSESSMENT YEAR PRODUCTIVITY INFORMATION

County	2012 equalized - crop	2013 Productivity Crop \$/A - equalized	Total change in crop dollar value going to productivity w/o limit	Crop limited to increase / decrease - equalized		2012 equalized non-crop	2013 Productivity Non-crop equalized	Total change in non-crop dollar going to productivity w/o limit	Non-Crop limited to increase /decrease - equalized
AURORA	892.68	1,292.80	44.82	1,071.21		420.71	438.09	4.13	438.09
BEADLE	963.06	1,444.38	49.98	1,155.68		415.77	426.50	2.58	426.50
BENNETT	409.03	676.30	65.34	511.29		130.51	123.64	(5.26)	123.64
BON HOMME	1,064.27	1,493.70	40.35	1,277.12		461.92	468.14	1.35	468.14
BROOKINGS	1,394.79	1,746.15	25.19	1,604.01		343.99	531.25	54.44	429.99
BROWN	874.12	1,578.05	80.53	1,092.65		374.34	388.94	3.90	388.94
BRULE	760.94	1,239.56	62.90	951.18		318.75	318.54	(0.07)	318.54
BUFFALO	571.05	808.80	41.64	685.26		239.76	249.85	4.21	249.85
BUTTE	229.43	471.28	105.42	286.79		100.24	100.67	0.43	100.67
CAMPBELL	456.30	981.31	115.06	570.38		186.40	228.81	22.75	214.36
CHARLES MIX	985.73	1,395.66	41.59	1,182.87		392.37	403.54	2.84	403.54
CLARK	874.62	1,378.47	57.61	1,093.28		271.12	368.76	36.01	325.35
CLAY	1,507.48	1,909.45	26.67	1,733.60		545.41	535.11	(1.89)	535.11
CODINGTON	1,178.00	1,415.09	20.13	1,354.69		424.79	436.59	2.78	436.59
CORSON	200.34	632.36	215.65	250.42		77.29	112.05	44.96	92.75
CUSTER	356.13	505.04	41.81	427.35		108.83	108.40	(0.39)	108.40
DAVISON	1,102.02	1,499.17	36.04	1,322.42		458.27	465.35	1.55	465.35
DAY	732.70	1,333.44	81.99	915.88		319.90	393.23	22.92	367.89
DEUEL	1,209.20	1,550.83	28.25	1,390.58		457.84	470.51	2.77	470.51
DEWEY	354.25	616.94	74.15	442.81		106.89	106.68	(0.20)	106.68
DOUGLAS	1,063.18	1,531.71	44.07	1,275.81		441.31	447.75	1.46	447.75
EDMUNDS	695.74	1,320.43	89.79	869.67		301.37	350.73	16.38	346.58
FALL RIVER	259.68	475.88	83.26	324.59		91.44	96.81	5.87	96.81
FAULK	707.40	1,335.05	88.73	884.25		295.70	341.07	15.34	340.05
GRANT	1,054.27	1,451.00	37.63	1,265.13		421.78	435.09	3.16	435.09
GREGORY	774.48	999.37	29.04	890.65		288.67	285.05	(1.25)	285.05
HAAKON	397.84	629.07	58.12	497.29		127.07	125.78	(1.01)	125.78
HAMLIN	1,116.63	1,693.21	51.63	1,395.79		379.21	502.06	32.40	455.05
HAND	821.29	1,164.43	41.78	985.55		342.15	353.09	3.20	353.09
HANSON	1,148.92	1,588.37	38.25	1,378.70		499.05	508.93	1.98	508.93
HARDING	239.17	403.31	68.63	298.96		82.64	82.85	0.26	82.85
HUGHES	592.21	949.05	60.26	740.26		258.24	270.45	4.73	270.45
HUTCHINSON	1,176.68	1,580.29	34.30	1,412.01		503.13	505.28	0.43	505.28

Blue - limited to 15% increase / decrease in value
Yellow - limited to 20% increase / decrease in value
Green - limited to 25% increase / decrease in value

CHANGE IN VALUATION
2013 ASSESSMENT YEAR PRODUCTIVITY INFORMATION

County	2012 equalized - crop	2013 Productivity Crop \$/A - equalized	Total change in crop dollar value going to productivity w/o limit	Crop limited to increase / decrease - equalized		2012 equalized non-crop	2013 Productivity Non-crop equalized	Total change in non-crop dollar going to productivity w/o limit	Non-Crop limited to increase /decrease - equalized
HYDE	661.16	873.35	32.09	793.39		272.39	281.62	3.39	281.62
JACKSON	284.54	475.94	67.27	355.68		124.28	122.56	(1.38)	122.56
JERAULD	842.70	1,214.45	44.11	1,011.25		362.75	369.62	1.89	369.62
JONES	516.22	636.29	23.26	593.65		160.13	160.13	-	160.13
KINGSBURY	1,057.44	1,596.75	51.00	1,321.80		507.21	509.57	0.47	509.57
LAKE	1,432.20	1,866.29	30.31	1,718.65		166.43	576.76	246.54	208.04
LAWRENCE	324.75	566.85	74.55	405.94		128.83	164.20	27.46	148.15
LINCOLN	1,636.36	1,903.72	16.34	1,881.82		834.02	607.45	(27.17)	708.92
LYMAN	634.83	896.32	41.19	761.79		183.09	174.51	(4.69)	174.51
MARSHALL	1,012.85	1,471.70	45.30	1,215.42		364.04	376.06	3.30	376.06
MC COOK	1,366.92	1,785.30	30.61	1,640.31		530.18	538.55	1.58	538.55
MC PHERSON	686.03	933.00	36.00	823.24		317.25	329.48	3.86	329.48
MEADE	268.85	511.85	90.39	336.06		116.55	113.12	(2.94)	113.12
MELLETTTE	364.31	541.28	48.58	437.17		168.07	168.07	(0.00)	168.07
MINER	1,051.22	1,516.27	44.24	1,261.47		516.44	526.31	1.91	526.31
MINNEHAHA	1,641.93	1,963.77	19.60	1,888.22		704.81	554.43	(21.34)	599.09
MOODY	1,521.79	2,109.23	38.60	1,826.15		664.61	557.87	(16.06)	564.91
PENNINGTON	345.88	574.61	66.13	432.35		123.64	123.64	-	123.64
PERKINS	233.46	463.55	98.56	291.82		131.15	135.23	3.11	135.23
POTTER	707.16	1,247.94	76.47	883.95		268.31	274.32	2.24	274.32
ROBERTS	1,182.46	1,490.48	26.05	1,359.83		346.87	351.59	1.36	351.59
SANBORN	989.01	1,354.93	37.00	1,186.81		454.41	469.43	3.31	469.43
SHANNON	240.16	521.57	117.17	300.20		83.71	81.78	(2.31)	81.78
SPINK	1,012.76	1,490.62	47.18	1,215.31		347.43	426.50	22.76	399.54
STANLEY	425.82	495.83	16.44	489.69		134.58	139.09	3.35	139.09
SULLY	822.27	1,202.54	46.25	986.72		247.06	255.00	3.21	255.00
TODD	363.73	583.57	60.44	454.66		160.13	157.77	(1.47)	157.77
TRIPP	625.33	811.61	29.79	719.13		280.76	280.76	(0.00)	280.76
TURNER	1,399.92	1,806.21	29.02	1,609.91		532.24	522.88	(1.76)	522.88
UNION	1,697.24	2,048.66	20.71	1,951.82		662.83	662.83	0.00	662.83
WALWORTH	592.04	1,123.66	89.80	740.04		223.02	235.04	5.39	235.04
YANKTON	1,326.84	1,797.32	35.46	1,592.21		443.22	450.76	1.70	450.76
ZIEBACH	269.93	567.25	110.15	337.41		91.22	90.37	(0.94)	90.37

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