

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: Assessing Officials and Vendors
FROM: Barry Wood, Assessment Division Director *JBW*
RE: 2013 Soil Productivity Factors
DATE: March 1, 2013

Senate Enrolled Act #319 was signed into law by Governor Pence on February 27, 2013. The legislation contains two sections (see below):

SECTION 1. IC 6-1.1-4-13, AS AMENDED BY P.L.112-2012, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2013 (RETROACTIVE)]: Sec. 13. (a) In assessing or reassessing land, the land shall be assessed as agricultural land only when it is devoted to agricultural use.

(b) The department of local government finance shall give written notice to each county assessor of:

(1) the availability of the United States Department of Agriculture's soil survey data; and

(2) the appropriate soil productivity factor for each type or classification of soil shown on the United States Department of Agriculture's soil survey map.

All assessing officials and the property tax assessment board of appeals shall use the data in determining the true tax value of agricultural land. However, notwithstanding the availability of new soil productivity factors and the department of local government finance's notice of the appropriate soil productivity factor for each type or classification of soil shown on the United States Department of Agriculture's soil survey map for the March 1, 2012, assessment date, the soil productivity factors used for the March 1, 2011, assessment date shall be used for the March 1, 2012, assessment date **and for the March 1, 2013, assessment date**. New soil productivity factors shall be used for assessment dates occurring after March 1, ~~2012~~ 2013.

(c) The department of local government finance shall by rule provide for the method for determining the true tax value of each parcel of agricultural land.

(d) This section does not apply to land purchased for industrial, commercial, or residential uses.

SECTION 2. [EFFECTIVE UPON PASSAGE] (a) **The department of local government finance, in cooperation with the Purdue University College of Agriculture, shall before November 1, 2013, submit the following to the commission on state tax and financing policy and to any interim study committee established to study agriculture issues or assigned the topic of studying agriculture issues:**

(1) **Proposed soil productivity factors to be used in the assessment of agricultural land under IC 6-1.1-4-13.**

(2) An explanation of the methodology used to determine the proposed soil productivity factors.

(3) Data, from each county, used to determine the proposed soil productivity factors.

(4) Evidence of oral testimony and written comments provided to the department of local government finance by taxpayers and other stakeholders concerning the proposed soil productivity factors.

(b) This SECTION expires July 1, 2014.

Therefore, for the March 1, 2013 assessment date, assessing officials shall use the soil productivity factors that were in effect for the March 1, 2011 assessment date.

Questions on this memorandum may be directed to Barry Wood, Assessment Division Director, at Bwood@dlgf.in.gov , or (317) 232-3762.