

## **BACKGROUND**

Kansas Statute requires the County Appraiser to value all real and personal property within the county at fair market value with some exceptions. One of those exceptions relates to the valuation of land used for agricultural purposes.

Agricultural land is valued at its *use value*, which is based on the productivity of the parcel's soil. The County Appraiser will determine eligible parcels for the agricultural assessment classification.

## **GOVERNING STATUTE**

Specification on the methodology for the valuation of agricultural land is found in K.S.A. 79-1476. The values per acre are determined by the Kansas Department of Revenue Property Valuation Division and vary each year by soil type/productive use. This statute also defines what type of property qualifies as "agricultural use", which includes the following:

- Land, regardless of whether it is located in the unincorporated area of the county or within the corporate limits of a city, that is *devoted to the production of plants, animals or horticultural products*, including, but not limited to:
  - Forages; grains and feed crops; dairy animals and dairy products; poultry and poultry products; beef cattle, sheep, swine and horses; bees and apiary products; trees and forest products; fruits, nuts and berries; vegetables; and nursery, floral, ornamental and greenhouse products
- Shall include land established as a controlled shooting area pursuant to K.S.A. 32-943, and amendments thereto, which shall be deemed to be land devoted to agricultural use.
- Shall include land that is utilized by zoos that hold a valid class C exhibitor license issued by the United States department of agriculture.

While the above statute provides some guidance to determining agricultural classification, it stops just short of providing a clear definition of what it means to be *devoted to agricultural production*. As a result, this agriculture policy has been put in place to detail what qualifies as being devoted to agricultural production.

**DOUGLAS COUNTY CRITERIA FOR DOCUMENTATION OF AGRICULTURAL PRODUCTION**

The following factors are considered for documenting devotion to agricultural production:

- Filing the IRS Schedule F with the federal income tax returns;
- Operator's sole occupation is producer of agricultural products;
- Lease agreement for the production of agricultural products;
- Sales receipts of agricultural products produced from subject parcel;
- Production records for subject parcel;
- Expense receipts for resources related to agricultural production on subject parcel (such as fertilizer, seed or pesticides, breeding fees, fencing cost, etc.);
- Presence of functional fence related to livestock management;
- Visual observation of agricultural activity by appraisal staff;
- Enrollment of the parcel in federal farm programs through Farm Service Agency or Natural Resource Conservation Service;
- Clear, color photographs with a date stamp that document agriculture use; and/or
- Any additional evidence that may support or demonstrate the parcel is "devoted" to agricultural production.

County appraisal staff will review all evidence, documentation or other information provided by property owners, as well as consider other available resources when making the decision of agricultural use. As the information is reviewed, staff will look for evidence that the property is being managed in a manner typical for the stated use. Before agricultural classification is made for the current tax year, production should be apparent during the previous year.

In the case of livestock production, animals being used for breeding with the intent to sell the offspring or being purchased, held and resold may constitute agricultural endeavors.

The following uses do not qualify for agricultural use classification:

- Garden production for personal use;
- Animals on the property used for personal meat consumption; and/or
- Recreational or pleasure animals, such as horses.

In situations where there is a mixture of uses, the predominant use will be applied for classification purposes—not intermittent or occasional use.

**PERIODIC REVIEWS**

Properties with agricultural use classification are reviewed on a periodic basis as part of the state's required parcel maintenance requirements. This review process includes a survey mailed to the property owner to verify the current use. Response is strongly encouraged to assist in the verification process. The survey contains questions related to the parcel's use, type of product produced, lease status, name of operator and anticipated future use.

**AGROTOURISM (PER K.S.A. 79-1476)**

- Shall include land otherwise devoted to the production of plants, animals or horticultural products that is incidentally used for agritourism activity.
- For purposes of this section, "agritourism activity" means any activity that allows members of the general public, for recreational, entertainment or educational purposes, to view or enjoy rural activities, including, but not limited to, farming activities, ranching activities or historic, cultural or natural attractions.
- An activity may be an "agritourism activity" whether or not the participant pays to participate in the activity.
- An activity is not an "agritourism activity" if the participant is paid to participate in the activity.
- If a parcel has land devoted to agricultural purposes and land used for suburban residential acreages, rural home sites or farm home sites, the county appraiser shall determine the amount of the parcel used for agricultural purposes and value and assess it accordingly as land devoted to agricultural purposes.

**AGRICULTURAL CLASSES AND SUBCLASSES**

The following descriptions and images are used by Douglas County to determine classes and subclasses of agricultural property. These classes influence the productivity values and appraisal methodology applied.

**Class 1: Cultivated Dry Land**

Non-irrigated



Cultivated land that does not have the benefit of irrigation to enhance crop production.

Irrigated



Land that utilizes the application of water in order to enhance crop production.

Conservation Reserve Program (CRP)



Farmers sign contracts with the Farm Service Agency (FSA) to remove environmentally sensitive land from agricultural production.

**Class 2: Grass Land**

Tame Grass



Range or pasture land made up of introduced plant species that could receive periodic cultural treatment, such as fertilization or mowing. Includes grass waterways of Tame Grass that are within the boundaries of cropland where the topography is such that the land can be hayed.

Native Grass



Range or pasture land, including all unplowed pasture, made up of plants that are part of an area's original environment.

**Other Categories**

Waste Land



Waste Land is a type of agricultural land. This category is assigned to a minimum of three acres that:

- Areas where the soil will not produce crops or other native vegetation; and/or
- Areas within the boundaries of cropland that will physically not allow the cultivation of crops.

Canopy Cover



Adjustments are made to portions of agricultural land that have canopy cover, which limits the productive capacity of the land. This portion of the parcel may still have productive soils and trees that create a wind break for adjacent crop land. This classification is made to treed areas within a pasture that are in native or tame grass. The value for canopy covered land is adjusted down to account for this issue.

### Home Site Areas

The portion of an agricultural parcel that supports a residence is classified as a Farm Home Site and is assessed at the residential rate of 11.5% of its fair market value. This portion of the site supports structure(s) for primary residential occupancy (more than 28 consecutive days – see K.S.A. 79-1439).

The county appraiser shall not establish a standard size for home sites per state guidelines. Criterion that helps the county appraiser define the home site includes:

- Driveway to the residence;
- All related residential amenities
  - Detached garages;
  - Patios/decks, walking paths and landscaping;
  - Septic drain fields;
  - Lakes/ponds that enhance the residence;
    - Takes into account presence of gazebos and/or docks that indicate amenities of the residence;
  - Wooded areas that provide wind break, motorized or walking trails or areas used for hunting; and/or
- On-site inspections/use of aerial imagery.



Sample Home Site Area Allocation	
Key:	
1	Homesite
2	Crop Land
2CRP	Crop Land in CRP
3	Irrigated Land
4	4 Tame Grass
5	Native Grass
5A	Grass w/Adverse Influence

### **Open Space and Conservation Easements**

- Conservation easements are not tracked in the county's Computer Assisted Mass Appraisal (CAMA) system.
- If the property qualifies for agricultural use classification based on the county's criteria, then it will be designated as agricultural.
- If the property does not meet the county's requirements for agricultural use classification, then it will be classified according to its actual use and valued at market.