

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: Assessing Officials
FROM: Barry Wood, Assessment Division Director *BW*
RE: Revised 2010 Agricultural Base Rate
DATE: March 26, 2010

Senate Enrolled Act 396-2010, signed into law by Governor Mitch Daniels on March 25, 2010, changed the calculation of the Agricultural Land Base Rate. The change is retroactive to January 1, 2010, meaning that the new base rate calculation will be used for taxes first due and payable in 2011 (2010 assessment date). The calculation released by the Department on December 31, 2009 for the March 1, 2010 assessment date is no longer applicable.

The new agricultural base rate for the March 1, 2010 assessment date is \$1,290 per acre.

The change requires the Department to drop the year with the **highest** market value, using only the five lowest market value years (out of a rolling six-year comparison). Included with the memo is a supplement to the reference materials explaining how the new rate was determined.

Please note that vendors have been notified about this change in advance of the signing of the bill, and they have confirmed that the assessment process for 2010 pay 2011 can still move forward with minimal impact from this change.

Additionally, when reviewing ratio studies, the Department focuses on the residential, commercial and industrial classes. As such, ratio studies should be submitted as soon as possible, regardless of the change to agricultural land values.

The revised certification and supporting documentation is posted on our Web site on both our Memos page at <http://www.in.gov/dlgf/2444.htm> and on the Agricultural Land Assessment page at <http://www.in.gov/dlgf/7016.htm>.

Full text of the legislation can be found at <http://www.in.gov/legislative/bills/2010/SE/SE0396.1.html>.

If you have any questions, please contact Assessment Director Barry Wood at 317.232.3762 or bwood@dlgf.in.gov.