

Over the next few months, I will be writing articles about farmland assessments in Illinois and their affects on Henry County farmland. The Illinois Department of Revenue has updated the guidelines used for this process and I will use this forum to convey the upcoming changes. The statutory changes must be completed by the end of 2006 and will be reflected on your tax bill in 2007. I want to thank Katie Boruff and the Henry County Farm Bureau for working with the Henry County Assessment Office in this cooperative effort. I believe that the people are best served when organizations work cooperatively.

This month I will give you a brief history and overview of the farmland assessment process, as well as, highlight the major changes that will take place. In the following months, I will concentrate on one area of change each month and the affect that it might have on you. I will also inform you of information we might be requesting from you in order to complete these changes.

Brief History and Major Provisions of the Farmland Assessment Law

Prior to 1977, farmland in Illinois was assessed at market value. From 1977 through 1980 it was based on a formula that considered both market and use value. Since 1981 farmland is assessed according to the use value formula.

The major provisions included in the 1981 farmland assessment law included:

- creation of a new income capitalization formula for assessing farmland
- creation of two important 5-member committees, one at the state level and one at the county level
- creation of four categories of farmland and a method for assessing each
- requirement of the Department of Revenue to issue guidelines
- requirement of the Department of Revenue to annually certify assessment data and County averages
- placed limits on annual assessment change (10% maximum)

2006 – Change from Circular 1156 to Bulletin 810

The University of Illinois College of Agriculture published Circular 1156, Soil Productivity in Illinois in 1978. The purpose of the publication was to show the average yields of various grains, forage, and tree crops obtainable on the various soil types in Illinois under basic and high levels of management. The yields were based on technology available in the late 1960's and early 1970's. Productivity indexes (PI) were given for the various soils and adjusted for slope and erosion. This Circular is currently used in the assessment process.

In 2006 Bulletin 810 will replace Circular 1156. Bulletin 810 is also compiled by the University Of Illinois College Of Ag and will reflect increased crop yields. Crop yields have increased substantially in Illinois from about 1945 to the present. These increased yields are primarily the result of better technology. This publication updates the yields to reflect average 1990's yields for various crops for Illinois soil types under average level management.

The local assessment office uses these publications, soil survey, Department of Revenue guidelines and Department of Revenue certified assessed values per PI to determine the assessed value of farmland in Illinois. Here's a brief synopsis of how the current process works.

- Use soil survey and measure the acreage of each soil type within a tract of land
- Assign productivity index (PI) to each soil type per Circular 1156
- Determine land use on the tract of land. (i.e. crop, pasture, other farm/contributory waste and non-contributory waste)
- Calculate the weighted average of PI's for each land use category
- Apply Department of Revenue certified assessed value for each PI to the weighted PI by land use category. (Cropland is assessed at full value; pasture is assessed at 1/3 of the cropland value and timber/contributory waste is assessed at 1/6 of the cropland value.)
- Add all values together for total assessed value of farmland. The assessed value is multiplied by the overall tax rate to determine the tax bill each year

Here's a brief description of some of the changes that will take place in 2006. These will be explained in greater detail over the next few months.

- Assign updated PI's from Bulletin 810 to each soil type (based on updated yields)
- Use updated digital soil survey.
- The weighted PI method will no longer apply. Calculations will be based on the individual soil method.
- Land use throughout the county will be redrawn using more recent aerial photography.
- Flood debasements will be applied based on annual application from local farmer.
- A debasement will be applied to each tract that is subject to drainage tax.
- Home sites, currently measured as one acre, will be changed to actual acreage used for residential purposes.

I hope that this and future articles will be helpful to your understanding of the farmland assessment process. Over the next year, the county will be gathering valuable information from the landowner's to ensure accuracy of our records for a fair and equitable assessment. I will do my best to keep you informed as we continue in this process. This forum and the Henry County website will be used to request and disseminate the information. Please call the office or e-mail me at anytime if you have questions. My e-mail address is lkernan@henrycty.com and the website is www.henrycty.com.