

Beginning with the 2017 assessment year, Mitchell County will be using CSR2 and also implementing Administrative Rule 701 71.3(1)"a", Agricultural Non-Cropland Adjustment. The adjustment shall be applied to non-cropland, which includes building sites, with a corn suitability rating that is greater than 50 percent of the average corn suitability rating for cropland for the county. The current average cropland CSR2 for Mitchell County is 84 and 50% of that is 42. This number has the possibility of changing due to yearly soil and CSR2 changes from the NRCS.

The adjustment shall be determined for each county based on the 5-year average difference in cash rent for non-irrigated cropland and pasture land as published by the National Agricultural Statistics Service (NASS). The current 5-year average for Mitchell County is 81%. This adjustment is only given to agricultural classed parcels within the county. Please note: just because you have areas deemed non-cropland does not mean you will get an adjustment. If your non-cropland has a CSR2 of less than 42 an adjustment will not be made.

The assessed value of Agricultural Land is determined by the Iowa Agricultural Productivity Formula. Both income and expenses are used to calculate values for each county. Income on ag land includes revenue from corn, soybeans, wheat, hay and some government programs. Expenses included are inputs, fertilizer, insurance, operating costs and taxes. After net income is calculated, it is capitalized at a 7 percent rate to simulate the return on the investment of the land. This final per-acre number is multiplied by the number of agricultural acres and divided by the total county CSR2 points to determine the final value per CSR2 point, which is then applied equally to every agricultural parcel within the county. The change in agricultural land value will vary with every parcel based on the new CSR2's.