



STATE BOARD OF EQUALIZATION
 PROPERTY AND SPECIAL TAXES DEPARTMENT
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No. 2014/045

September 22, 2014

TO COUNTY ASSESSORS:

**2015 LIEN DATE
 PER-ACRE VALUE OF CALIFORNIA IRRIGATED CROPLAND**

Effective January 1, 2014, legislation¹ was enacted to allow cities and counties to create Urban Agriculture Incentive Zones and offer landowners preferential property tax assessment if the landowner restricts urban land for small-scale agricultural use. This legislation requires a county assessor to value land that is enforceably restricted by a contract at a rate based on the average per-acre value of irrigated cropland in California. Revenue and Taxation Code² section 422.7 provides in part:

. . . (c) The State Board of Equalization shall post the per-acre land value as published by the National Agricultural Statistics Service of the United States Department of Agriculture on its Internet Web site within 30 days of publication, and shall provide the rate to county assessors no later than January 1 of each assessment year.

As reported in the National Agricultural Statistics Service (NASS) of the United States Department of Agriculture (USDA) *Land Value 2014 Summary—August 2014* report, page 13, the average per-acre value for irrigated cropland in California for the 2015 lien date is \$12,100. This information is posted on the Board's website at:

<http://www.boe.ca.gov/proptaxes/uaincentivezone.htm>

Letter To Assessors (LTA) 2013/056³ provided an explanation and examples for calculating land values under the provisions of section 422.7. That LTA also reported that the per-acre value for irrigated cropland in California for the 2014 lien date would be \$12,500. That information was obtained from the NASS/USDA report published in August 2013—the last report prior to the lien date. Subsequently, in June 2014, the NASS/USDA posted a revised report and lowered the 2014 lien date per-acre value to \$11,800.⁴ However, a county assessor should not change the per-acre value from that posted by the NASS/USDA prior to the lien date to reflect any revisions to the per-acre value that were made after the lien date.

¹ Assembly Bill 551, Stats. 2013, ch. 406.

² All statutory references are to the Revenue and Taxation Code unless otherwise specified.

³ www.boe.ca.gov/proptaxes/pdf/Lta13056.pdf

⁴ For non-census years, after the five-year Census of Agriculture is completed, land value estimates are subject to final historic revision by the USDA/NASS. The basis for revision is supported by additional data that directly affect the level of the estimate. The basis for the lien date 2014 value was revised based on the 2012 Census of Agriculture and is now considered final by the USDA/NASS.

The USDA/NASS report may be accessed at:

<http://usda.mannlib.cornell.edu/usda/current/AgriLandVa/AgriLandVa-08-01-2014.pdf>

If you have questions regarding the assessment of property subject to an Urban Agriculture Incentive Zone contract, you may contact the County-Assessed Properties Division at 1-916-274-3350.

Sincerely,

/s/ Dean R. Kinnee

Dean R. Kinnee
Acting Deputy Director
Property Tax Department

DRK:sk