

CURRENT USE ASSESSMENTS

Certain agricultural, timber, and open space lands are valued at their current use rather than market value. For taxes due in 2006, this difference in valuation resulted in an estimated \$13.4 million in tax losses and \$98.8 million in shifts to other taxpayers.

To receive reduced assessment, farm and agricultural land and timber land must meet acreage and/or gross income requirements. There are no income or acreage requirements for open space lands. Local five-person advisory boards help assessors determine current use value. They take into consideration lease contracts or productive capacity. Each year assessors estimate a true and fair value separate from the current use value. In the event land is voluntarily removed from current use status, the property owner is liable for a maximum of seven years of compensating taxes based on the difference between current use and fair market value estimates, plus interest and penalties.

To qualify for current use, farm and agricultural land must be:

- 20 or more acres in agricultural use,
- five or more acres, but less than 20, with annual income from agricultural uses of \$200 or more per acre for three out of five years, or
- less than five acres with annual income from agricultural use of \$1,500 or more for three out of five years.

To be eligible for current use classification, timber land must be five or more acres (land only) devoted primarily to the growth and harvest of forest crops. Open space land must be areas set aside to protect, preserve, enhance, promote, and retain such lands. Of the acreage reported for 2005 in the current use program, 98.3 percent is in the farm and agricultural land category as opposed to timber or open space.

CURRENT USE VALUE REDUCTIONS 1988-2006 Collection Years

| Year Due | Acres | Highest & Best Use Value (\$ Million) | Current Use Value (\$ Million) | Value Reduction (\$ Million) | Percent Value Reduction |
|----------|------------|--|-----------------------------------|---------------------------------|-------------------------|
| 2006 | 11,457,666 | \$12,964.1 | \$3,671.3 | \$9,292.7 | 71.7% |
| 2005 | 11,551,815 | 12,005.4 | 3,440.7 | 8,564.7 | 71.3 |
| 2004 | 11,599,164 | 11,545.8 | 3,308.7 | 8,237.1 | 71.3 |
| 2003 | 12,172,766 | 11,157.4 | 3,200.2 | 7,957.2 | 71.3 |
| 2002 | 11,753,080 | 10,792.6 | 3,203.8 | 7,588.8 | 70.3 |
| 2001 | 11,755,825 | 10,305.9 | 3,153.9 | 7,152.0 | 69.4 |
| 2000 | 12,069,061 | 9,740.0 | 2,989.1 | 6,750.9 | 69.3 |
| 1999 | 11,667,542 | 9,359.8 | 2,937.6 | 6,422.2 | 68.6 |
| 1998 | 11,445,541 | 8,716.5 | 2,926.5 | 5,790.1 | 66.4 |
| 1997 | 11,574,810 | 8,366.2 | 2,729.4 | 5,636.8 | 67.4 |
| 1996 | 11,485,934 | 8,007.7 | 2,633.9 | 5,373.8 | 67.1 |
| 1995 | 11,203,257 | 7,829.3 | 2,699.0 | 5,130.4 | 65.6 |
| 1994 | 11,458,638 | 7,372.3 | 2,392.9 | 4,979.4 | 67.5 |
| 1993 | 11,517,719 | 7,017.0 | 2,333.2 | 4,683.8 | 66.7 |
| 1992 | 11,490,320 | 6,641.1 | 2,266.1 | 4,375.0 | 65.9 |
| 1991 | 11,526,944 | 6,401.0 | 2,218.1 | 4,182.9 | 65.3 |
| 1990 | 11,507,709 | 6,269.9 | 2,225.9 | 4,044.0 | 64.5 |
| 1989 | 11,458,790 | 6,508.5 | 2,217.0 | 4,291.5 | 65.9 |
| 1988 | 11,086,308 | 6,677.2 | 2,100.4 | 4,576.8 | 68.5 |