



SENATOR
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116TH INDIANA GENERAL ASSEMBLY ★ SENATE DISTRICT 45

NEWS RELEASE

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Bill to improve farmland assessments heads to governor's office
Senate Bill 396 would eliminate highest value in six-year rolling average formula

INDIANAPOLIS— The General Assembly has sent legislation to the governor that would protect Indiana farmers and agriculture companies by improving the state's assessment of farmland. State Senator Jim Lewis (D-Charlestown), a coauthor of Senate Bill (SB) 396, said the change is needed to more accurately assess increases in farmland value for property taxes. SB 396 was approved by a vote of 50 to 0 in the Senate and a vote of 97 to 1 in the House of Representatives.

Beginning with taxes payable in 2011, SB 396 would change the calculation by which farmland assessments are determined. Under the proposal, the base rate formula for farmland assessments would be done on an adjusted six year average with the highest value eliminated.

The Indiana Department of Local Government and Finance currently determines farmland value based on a six-year rolling average. The value is based on a formula that takes into account information on land rents, crop yields and prices, and interest rates. Farmland values are recalculated each year as part of the trending process.

"Dramatic increases in property tax assessments for farmland can cause real problems for farms of any size," said Sen. Lewis. "This legislation will improve the property assessment system by more accurately reflecting the value of our farmland, and help pace out increases in property taxes."

For example, the base value per acre of farmland is \$1,250 for taxes payable in 2010, and is currently estimated to increase to \$1,400 for 2011, \$1,700 for 2012, and \$1,810 for 2013. Under this proposal, the base rate would be \$1,290 for 2011, \$1,500 for 2012, and \$1,620 for 2013.

SB 396 will now be sent to the governor for final consideration and possible enactment.

For more information on Sen. Lewis, his legislative agenda or other State Senate business, call 1-800-382-9467 or visit www.senatedemocrats.IN.gov.

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