**MAAO Agricultural Committee Meeting**

**July 24, 2012**

**Kelly Inn, St. Cloud, MN**

The Ag Committee met on July 24th in St Cloud. Introductions were made as there were a few new faces.

Discussion started on Crop Production Index which has replaced the CER’s. Stearns County is currently using the CPI to determine their rating on their soils. Randy Lahr was present and gave a demonstration on how their GIS can determine the CPI rating for each parcel. They use those numbers in determining the A, B, C breakdown on their parcels. Much discussion followed on the pros and cons of CPI in relation to CER’s and A, B, C valuation of farm land. Randy, along with Chad Martini also from Stearns, will be giving a demonstration at the MAAO fall conference this year.

This led into our next topic of wanting the Common Land Units (CLU – field boundaries) from the FSA office. This is helpful for counties looking at switch to CPI’s. The CLU segregate the woods, pasture and other land types from the tillable. This allows counties to quite efficiently switch to valuing tillable land using CPI if they so choose. It also allows better tracking of changes made to properties. Below is a list of benefits of obtaining the CLU from the FSA office;

* Cost Effective
* Consistent with values of farm land so property owners are treated equitable
* Can effect classification and taxes with counties having lack of knowledge of programs the property owner is in
* All data from across the state to have same information so all can be treated the same
* Shared information – information the county has that the FSA may be interested in.

FSA will have a new director in St Paul with a direct link to Washington so hopeful in getting the language in the law changed. Randy will draft letter to see if other states would like this same information. Ag Committee would support the request for information from FSA – with the ability to share data back and forth.

**Property Tax Working Group (draft document)**

 Trying to simplify the agricultural class and drop to one rate and not have land homesteaded. Remove the ag credit and use the PTR to offset the jump in taxes.

**CRP and Trusts**

 Different programs can affect value and classification. Property owners that are enrolled in a MN land trust do not pay income tax on the payments. Each trust is different and each has their own restrictions to the land.

**Special use Properties**

 Fermentation tanks and beer wills maybe become exempt. Need to keep tract as the state waits for the tax court to decide on taxable or not. Agricultural Containment Facilities (fertilizer containment areas) may become exempt. State hopes to have letter out in September.

The meeting was adjourned.

Minutes prepared by Sue Schulz