

Chapter 27. Guidelines for Application, Classification and Assessment of Land Eligible To Be Assessed At Use Value

§2701. Definitions of Land Eligible for Use Value Assessment

A. Bona Fide Agricultural Land--land devoted to the production for sale, in reasonable commercial quantities, of plants and animals, or their products, useful to man and agricultural land under a contract with a state or federal agency restricting its use for agricultural production.

B. Bona Fide Horticultural Land--land devoted to the production for sale, in reasonable commercial quantities, of fruits, vegetables, flowers or ornamental plants, and horticultural land under a contract with a state or federal agency restricting its use for horticultural production.

C. Bona Fide Marsh Land--wet land other than bona fide agricultural, horticultural or timber land.

D. Bona Fide Timberland--land stocked by forest trees of any size and specie, or formerly having such tree cover within the last three years and not currently developed or being used for non-forest purposes, and devoted to the production, in reasonable commercial quantities, of timber and timber products, and timberland under a contract with a state or federal agency restricting its use for timber production.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:2301 through R.S. 47:2308.

HISTORICAL NOTE: Promulgated by the Louisiana Tax Commission, LR 3:289 (June 1977), amended by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), LR 15:1097 (December 1989), LR 19:212 (February 1993).

§2703. Eligibility Requirements and Application For Use Value Assessment

A. In order to be classified as bona fide agricultural, horticultural, marsh or timberland, and assessed at its use value under the provisions of Article VII, Section 18(C) of the Louisiana Constitution of 1974, it must:

1. meet the definition of bona fide agricultural, horticultural, marsh or timberland as described in Section 2302 of Title 47 of the Louisiana Revised Statutes of 1950 and the eligibility requirements of R.S. 47:2303; and,

2. the owner must file an application, copy included in this section (see Form 2703), with the assessor in the parish or district where the property is located, certifying that the property is eligible for use value assessment.

B. In the case of bona fide agricultural, horticultural or timberland:

1. the land must be at least three acres in size or have produced an average gross annual income of at least \$2,000 in one or more of the designated classifications for the four preceding years; and

2. the landowner must sign an agreement that the land will be devoted to one or more of the designated uses as defined in Section 2302 of Title 47 of the Louisiana Revised Statutes of 1950 and meet the eligibility requirements of R.S. 47:2303.

C. The assessor shall keep the application on file from the date of application until December 31 of the year following expiration of the last year included in the application (Jefferson and Orleans Parishes only) or, loss of eligibility (all parishes), whichever comes sooner.

AUTHORITY NOTE: Promulgated in accordance with LSA - Constitution of 1974, Article VII, §18, R.S. 47:2302, R.S. 47:2303 and R.S. 47:2304.

HISTORICAL NOTE: Promulgated by the Louisiana Tax Commission, LR 3:289 (June 1977), amended by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), LR 15:1097 (December 1989), LR 19:212 (February 1993), amended by the Department of Revenue, Tax Commission, LR 25:318 (February 1999), LR 26:510 (March 2000), LR 30:490 (March 2004).

Form 2703
Application For Use Value Assessment

Name: _____

Address: _____

Description: _____

Application is hereby made for a Use Value Assessment on the above land, which is at least three acres in size or has produced an average annual gross income of at least \$2,000 in one or more of the designated classifications for four years preceding this application.

I hereby certify that this land is (mark type(s) of use):

_____ devoted to production for sale of agricultural or horticultural products in reasonable commercial quantities, or under contract with a government agency restricting its use for such production.

_____ acreage

_____ devoted to production of timber or timber products in reasonable commercial quantities, or has had forest tree cover within the last three years and is not developed or devoted to a non-forest use, or is under contract with a government agency restricting its use for timber production.

_____ acreage

_____ marshland is wetland not devoted to agricultural, horticultural or timber purposes.

salt water marsh _____ acreage

brackish water marsh _____ acreage

fresh water marsh _____ acreage

This application, if filed in **Jefferson** or **Orleans** Parish, shall apply for the four year period indicated below. If filed for any other parish, it shall apply for the year indicated in the **first** space and, shall be permanent thereafter.

In the event this land ceases to meet the requirements for a Use Value assessment, I will so notify the assessor of this parish within 60 days.

Landowner

To Be Completed by Assessor:

Class Acres

_____ _____

_____ _____

Approved By:

Assessor

Parish of _____

Date _____

§2705. Classification

A. The Modern Soil Surveys published by the U. S. Department of Agriculture, Natural Resources Conservation Service, in cooperation with the Louisiana Agricultural Experiment Station, listed in Map Index, together with the conversion legends prepared and distributed by the Natural Resources Conservation Service, shall be used for determining the use value classification of agricultural, horticultural and timberland. The parishes in which Modern Soil Surveys have been completed and published are indicated in Table 2707.

B. The General Soil Maps, published by the U. S. Department of Agriculture, Natural Resources Conservation Service, listed in Map Index, together with the conversion legends prepared and distributed by the Natural Resources Conservation Service, shall be used for determining use value classifications in all parishes until the time that the Modern Soil Surveys for such parishes are completed. On January 1 of the year after which the Modern Soil Survey for any parish is completed, such Modern Soil Survey shall then be used for determining use value classifications for said parish and the use of the General Soil Map in said parish shall thereafter be discontinued.

C. It is the intent that General Soil Maps are to be used only in the absence of and until Modern Soil Surveys are completed in the future by the U. S. Department of Agriculture, Natural Resources Conservation Service, on presently unmapped areas. However, at the option of and by agreement between the assessor and the landowner, Modern Soil Surveys that have been completed on any part of any parish (including individual farms or tracts of land), can be used for determining use value classification until such time as the Modern Soil Survey for that parish is completed.

AUTHORITY NOTE: Promulgated in accordance with LSA - Constitution of 1974, Article VII, §18, R.S. 47:2302, R.S. 47:2303 and R.S. 47:2304.

HISTORICAL NOTE: Promulgated by the Louisiana Tax Commission, LR 3:289 (June 1977), amended by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), LR 15:1097 (December 1989), LR 19:212 (February 1993), LR 21:186 (February 1995), LR 22:117 (February 1996), LR 23:208 (February 1997), amended by the Department of Revenue, Tax Commission, LR 25:318 (February 1999), LR 26:510 (March 2000), LR 27:428 (March 2001), LR 28:521 (March 2002), LR 29:372 (March 2003), LR 30:491 (March 2004), LR 31:720 (March 2005).

§2707. Map Index Table

Table 2707
Map Index
Listing of General Soil Maps & Modern Soil Surveys
For The State of Louisiana
Published By
U. S. Dept. of Agriculture, Natural Resources Conservation Service
In Cooperation With
Louisiana Agricultural Experiment Station

Parish	Date (General)	Map No. (General)	Date Published or Status(Modern)
Acadia	July, 1972	4-R-14566-A	September, 1962
Allen	Jan., 1970	4-R-28814-A	September, 1980
Ascension	Sept., 1972	4-R-16165-B	August, 1976
Assumption	July, 1970	4-R-15698-A	August, 1978
Avoyelles	Nov., 1970	4-R-15240-A	September, 1986
Beauregard	Nov., 1971	4-R-28744-A	September, 2002
Bienville	Nov., 1971	4-R-16791-B	August, 2003
Bossier	Nov., 1971	4-R-13994-B	August, 1962
Caddo	Nov., 1971	4-R-16024-A	September, 1980
Calcasieu	Aug., 1972	4-R-28741-B	June, 1988
Caldwell	Dec., 1970	4-R-15485-A	July, 1990
Cameron	Nov., 1971	4-R-28743-A	April, 1995
Catahoula	June, 1971	4-R-16812-A	November, 1986
Claiborne	June, 1970	4-R-17132-A	May, 1989
Concordia	Dec., 1970	4-R-14761-A	February, 1988
DeSoto	Nov., 1971	4-R-29144-A	October, 1991
E. Baton Rouge	May, 1972	4-R-25895-A	September, 1968
East Carroll	Jan., 1970	4-R-28748-A	February, 1988
East Feliciana	Nov., 1971	4-R-17441-A	November, 2001
Evangeline	Nov., 1971	4-R-28936-A	August, 1974

Parish	Date (General)	Map No. (General)	Date Published or Status(Modern)
Franklin	Sept., 1972	4-R-15069-B	August, 1981
Grant	Sept., 1972	4-R-16051-B	December, 1986
Iberia	Feb., 1974	4-R-15681-A	August, 1978
Iberville	Nov., 1971	4-R-16280-A	June, 1977
Jackson	Jan., 1971	4-R-16811-A	July, 1999
Jefferson	Nov., 1971	4-R-17344-A	January, 1983
Jefferson Davis	Jan. 1970	4-R-28746-A	September, 2003
Lafayette	Nov., 1970	4-R-15827-A	August, 1977
Lafourche	June, 1969	4-R-16329-A	October, 1984
LaSalle	Aug., 1970	4-R-16813-A	October, 1991
Lincoln	Sept., 1972	4-R-17131-B	April, 1996
Livingston	Feb., 1971	4-R-17440-A	January, 1991
Madison	Mar., 1970	4-R-28745-A	May, 1982
Morehouse	Aug., 1972	4-R-15071-B	September, 1985
Natchitoches	Aug., 1972	4-R-16790-B	February, 1990
Orleans	July, 1970	4-R-3865-A	September, 1989
Ouachita	June, 1971	4-R-15070-A	February, 1974
Plaquemines	Dec., 1969	4-R-28742-A	March, 2001
Pointe Coupee	Oct., 1970	4-R-14739-A	March, 1982
Rapides	Sept., 1975	4-R-15239-A	June, 1980
Red River	Nov., 1971	4-R-16027-A	June, 1980
Richland	Oct., 1971	4-R-14778-A	September, 1993
Sabine	Apr., 1970	4-R-29238	July, 1997
St. Bernard	Aug., 1970	4-R-17359-A	June, 1989
St. Charles	Nov., 1971	4-R-16166-A	January, 1987

Parish	Date (General)	Map No. (General)	Date Published or Status(Modern)
St. Helena	Mar., 1971	4-R-17438-A	April, 1996
St. James	Nov., 1971	4-R-19476-A	August, 1973
St. John	Nov., 1971	4-R-19476-A	August, 1973
St. Landry	May, 1970	4-R-29386	October, 1986
St. Martin	Sept., 1970	4-R-15484-A	April, 1977
St. Mary	May, 1972	4-R-31670	March, 1959
St. Tammany	Aug., 1972	4-R-17443-B	March, 1990
Tangipahoa	Nov., 1971	4-R-17439-A	April, 1990
Tensas	July, 1972	4-R-13919-A	October, 1968
Terrebonne	Aug., 1972	4-R-31732	February, 1960
Union	Nov., 1971	4-R-17133-A	November, 1997
Vermilion	Jan., 1970	4-R-28747-A	May, 1996
Vernon	June, 1971	4-R-16053-A	June, 2004
Washington	Nov., 1971	4-R-17437-A	September, 1997
Webster	Nov., 1971	4-R-27092-A	February, 1999
W. Baton Rouge	July, 1970	4-R-14740-A	March, 1982
West Carroll	Mar., 1976	4-R-14767-A	May, 1977
West Feliciana	Sept., 1975	4-R-29109-A	November, 2001
Winn	Dec., 1970	4-R-16052-A	May, 2000

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HISTORICAL NOTE: Promulgated by the Louisiana Tax Commission, LR 3:290 (June 1977), amended by the Department of Revenue and Taxation, Tax Commission, LR 10:946 (November 1984), LR 12:36 (January 1986), LR 13:188 (March 1987), LR 13:764 (December 1987), LR 14:872 (December 1988), LR 15:1097 (December 1989), LR 16:1063 (December 1990), LR 17:1213 (December 1991), LR 19:212 (February 1993), LR 20:198 (February 1994), LR 21:186 (February 1995), LR 22:117 (February 1996), LR 23:208 (February 1997), amended by the Department of Revenue, Tax Commission, LR 25:319 (February 1999), LR 26:511 (March 2000), LR 27:428 (March 2001), LR 28:521 (March 2002), LR 29:372 (March 2003), LR 30:491 (March 2004), LR 31:721 (March 2005).

§2709. Assessment and Classification - Agricultural and Horticultural Lands

A. Assessment of Agricultural and Horticultural Lands. Use Value Table 2717.A presents the assessed value of all bona fide agricultural and horticultural lands.

B. Classification of Agricultural and Horticultural Lands. The first four classifications of soils designated by the U. S. Department of Agriculture, Natural Resources Conservation Service, with such modifications as may be required by special circumstances, are hereby established for classification of agricultural and horticultural lands into Class I, II, III and IV lands, provided that all lands subject to regular and periodic flooding may be classified as Class IV lands.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:2301 through R.S. 47:2308.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 9:69 (February 1983), LR 22:117 (February 1996).

§2711. Tables - Agricultural and Horticultural Lands

A. The following table is hereby established as the gross returns, production cost and net income per acre per year of agricultural and horticultural lands:

Table 2711.A
Weighted Average Income Per Acre
2003 - 2006

Commodity	Acres	Percent	Net Income Weighted Fractional
Beef **	2,348,316	38.267	(46.25)	-0-
Soybeans(Wheat)*	902,500	14.707	2.33	34.27
Cotton	567,500	9.248	86.15	796.72
Rice (Crawfish)*	468,250	7.630	4.25	32.43
Sugarcane	426,250	6.946	86.58	601.38
Corn	395,000	6.437	(12.39)	-0-
Idle Crop ***	522,794	8.519	-----	-0-
Grain Sorghum	108,750	1.772	4.03	7.14
Conservation Reserve	243,442	3.967	46.45	184.27
Dairy **	123,153	2.007	23.64	47.45
Sweet Potatoes	17,750	0.289	1,011.01	292.18
Catfish	6,934	0.113	(551.35)	-0-
Watermelon	3,293	0.054	314.95	17.01
Southern Peas	1,758	0.029	894.02	25.93
Tomatoes	592	0.010	19,247.42	192.47
Strawberries	414	0.007	8,805.92	61.64
Totals	6,136,696	100.000	-----	2,292.89

Weighted Average Net Income - \$22.93

* Wheat is typically grown as a double crop with soybeans. Farm-raised crawfish is normally a double crop with rice.

** Acreage for beef and dairy were obtained from the 2002 Census of Agriculture, Vol. 1:Part 18, Louisiana State and Parish Data, Table 50.

*** Acreage for idle cropland was obtained from the 2002 Census of Agriculture, Vol. 1:Part 18, Louisiana State and Parish Data, Table 8. Includes acreage for cropland idle or used for cover crops or soil-improvement, but not harvested and not pastured or grazed.

NOTE: By state statute, negative net income for a given commodity is set equal to zero.

Table 2711.B
Suggested Capitalization Rate
for
Agricultural and Horticultural Lands

Risk Rate	2.72%
Illiquidity Rate	0.18%
Safe Rate*	4.91%
Capitalization Rate**	7.81%

*Safe Rate is four year average of 30 year U. S. Treasury securities.

**Statutory minimum capitalization rate of 12 percent used in calculations instead of actual rate as developed above.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:2301 through R.S. 47:2308.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 9:69 (February 1983), LR 12:36 (January 1986), LR 13:764 (December 1987), LR 17:1213 (December 1991), LR 22:117 (February 1996), amended by the Department of Revenue, Tax Commission, LR 26:511 (March 2000), LR 30:491 (March 2004), LR 34: (March 2008).

§2713. Assessment of Timberland

A. Use Value Table 2717.B presents the assessed value of all bona fide timberland.

B. Classification of Timberland. Timberland shall be classified into four categories as follows:

1. Class 1 timberland is timberland capable of producing more than 120 cubic feet of timber per acre per annum.

2. Class 2 timberland is timberland capable of producing more than 85 but less than 120 cubic feet of timber per acre per annum.

3. Class 3 timberland is timberland capable of producing less than 85 cubic feet of timber per acre per annum.

4. Class 4 timberland is timberland capable of producing less than 85 cubic feet of timber per acre per annum and which is subject to periodic overflow from natural or artificial water courses, and which is otherwise considered to be swampland.

C. Range of Productivity of Timberland. The timberland productivity of each of the four classifications of timberland is hereby established to be as follows:

1. Class 1 = 86.6 cu. ft. of growth/acre/year.
2. Class 2 = 66.8 cu. ft. of growth/acre/year.
3. Class 3 = 39.4 cu. ft. of growth/acre/year.
4. Class 4 = 38.8 cu. ft. of growth/acre/year.

D. Production Costs of Timberland. The average timberland production costs are hereby established to be \$10.46/acre/year.

E. Gross Returns of Timberland. The gross value per cubic foot of timber production is hereby established to be \$0.58/cubic foot.

F. Capitalization Rate for Timberland. The capitalization rate for determining use value of timberlands is hereby established to be as follows:

	Timberland Class 1, 2, and 3	Timberland Class 4
Risk Rate	2.30 %	5.30 %
Illiquidity Rate	- 0.09 %	0.85 %
Safe Rate	4.16 %	5.16 %
Other Factors	3.63 %	4.69 %
Capitalization Rate	10.00 %	16.00 %

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:2301 through R.S. 47:2308.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 9:69 (February 1983), LR

12:36 (January 1986), LR 13:248 (April 1987), LR 14:872 (December 1988), LR 17:1213 (December 1991), LR 22:117 (February 1996), amended by the Department of Revenue, Tax Commission, LR 26:511 (March 2000), LR 30:492 (March 2004), amended by the Division of Administration, Tax Commission, LR 38:

§2715. Assessment of Marsh Land

A. Use Value Table 2717.C presents the guidelines for determining the assessed value of all bona fide marsh land.

B. The assessor of each parish containing bona fide marsh land shall determine the use value of such land as defined in R.S. 47:2302 and shall assess such land on the basis of its highest use value. In determining the use value of such lands, the assessors shall utilize the use value table prepared by the Tax Commission, which shall be applied uniformly statewide.

C. The table prepared by the Tax Commission shall define each different classification of marshland, a range of production within each class and the range of returns based upon the past four year averages.

D. In preparing the use value table for marshland, the Tax Commission shall consider the following factors:

1. classification of the marshland as either freshwater, brackish, or saltwater marshland;
2. the income that may be produced within each class;
3. income derived from the traditional use of such marshland, as such uses are enumerated in R.S. 47:2301;
4. physical and economic risks attendant thereto;
5. prevailing interest rates;
6. liquidity of investments;
7. federal and state regulatory authority governing use of such marshland.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:2307.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 9:69 (February 1983), LR 12:36 (January 1986), LR 22:117 (February 1996).

§2717. Tables - Use Value

Table 2717.A
Average Assessed Value Per Acre
of Agricultural and Horticultural Land, By Class

Class	Assessed Value Per Acre Upper	Assessed Value Per Acre Lower
Class I	\$40.01	\$33.81
Class II	\$33.57	\$25.23
Class III	\$24.75	\$21.90
Class IV	\$21.41	\$14.26

Table 2717.B
Average Assessed Value Per Acre
of Timberland, By Class

Class	Assessed Value Per Acre
Class 1	\$39.77
Class 2	\$28.28
Class 3	\$12.39
Class 4	\$ 7.53

Table 2717.C-1
Average Assessed Value Per Acre
of Marshland, By Class
West Zone

Class	Assessed Value Per Acre
Fresh Water Marsh	\$ 7.00
Brackish Water Marsh	\$ 6.00
Salt Water Marsh	\$ 5.00

Parishes Considered To Be Located In:
West Zone

Acadia	Iberia	St. Landry	Vermilion
Calcasieu	Jefferson Davis	St. Martin	
Cameron	Lafayette	St. Mary	

Table 2717.C-2
Average Assessed Value Per Acre
of Marshland, By Class
East Zone

Class	Assessed Value Per Acre
Fresh Water Marsh	\$ 5.00
Brackish Water Marsh	\$ 4.00
Salt Water Marsh	\$ 3.00

Parishes Considered To Be Located In:
East Zone

Ascension	Lafourche	St. Charles	Terrebonne
Assumption	Livingston	St. James	West Baton Rouge
East Baton Rouge	Orleans	St. John	
Iberville	Plaquemines	St. Tammany	
Jefferson	St. Bernard	Tangipahoa	

Note: Only the parishes listed above should have lands classified as marshland. All other parishes should classify such land as **All Other Acreage**.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:2301 through R.S. 47:2308.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Tax Commission, LR 8:102 (February 1982), amended LR 9:69 (February 1983), LR 12:36 (January 1986), LR 13:248 (April 1987), LR 13:764 (December 1987), LR 14:110 (February 1988), LR 17:1213 (December 1991), LR 22:117 (February 1996), LR 23:208 (February 1997), amended by the Department of Revenue, Tax Commission, LR 24:491 (March 1998), LR 26:511 (March 2000), LR 30:492 (March 2004), amended by the Division of Administration, Tax Commission, LR 38:811 (March 2012).