

Preliminary Report

Data used based on updated soil table issued by Department of Revenue to Fall River County in May 2021; currently pending review.

Fall River County Ag Land Valuation Change

This report describes the changes to value for Fall River County due to the updated new soil table issued May 2021.

The original new table for Fall River County was issued in July 2020 and will be referred to in this document as the version 1 table. The version 1 table moved all but one of the Class 4 soils from a highest and best use category of non-crop to cropland. The updated table was received by Fall River County in May 2021. This table will be referred to as the version 2 table.

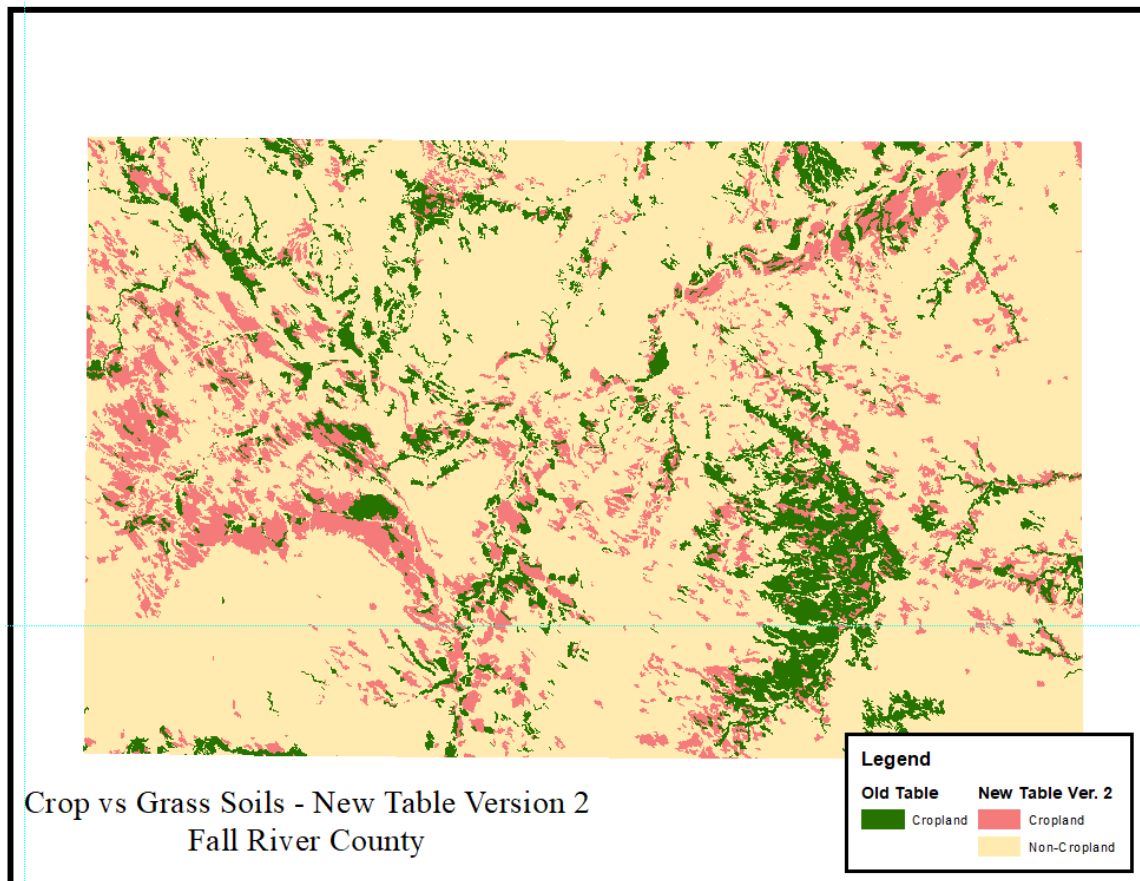
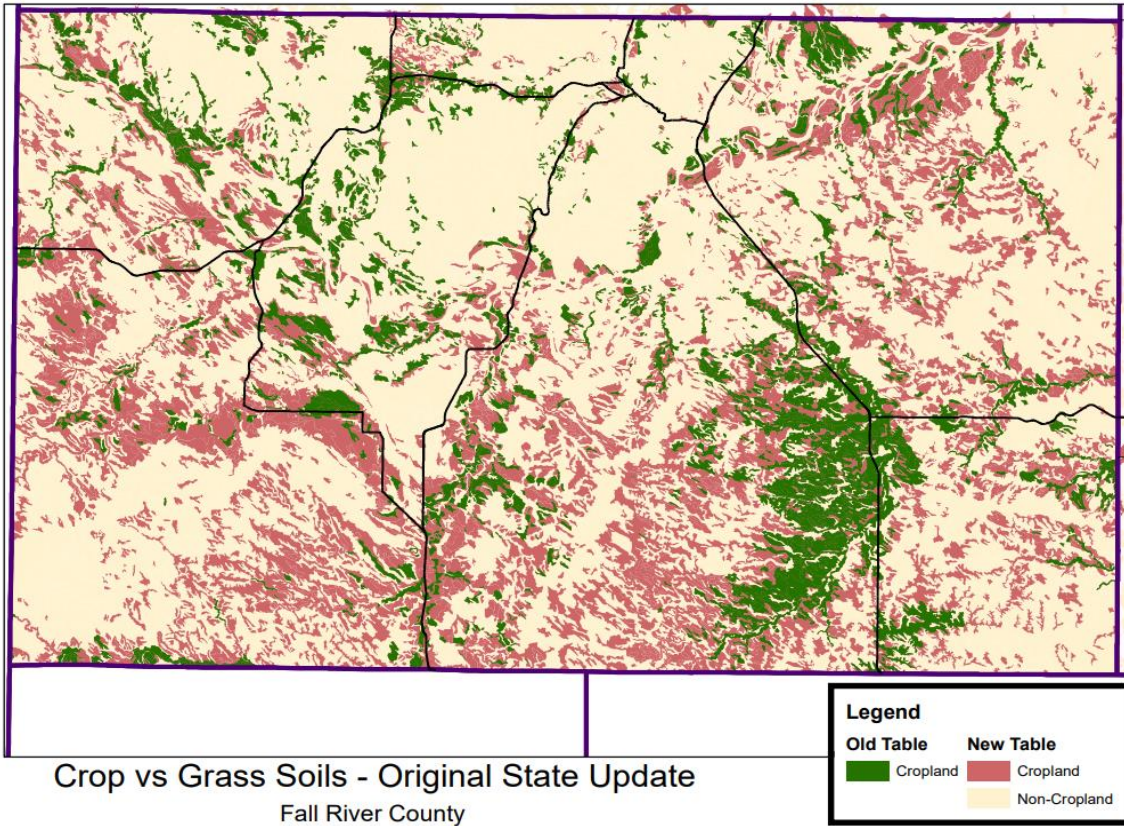
The Department of Revenue has stated that it was not the intention of the new tables to create this major shift in value. They are advising all counties to look at their new tables. They have also stated that they do not expect any county to apply the new table this year.

That said the tables and graphs below show what the value increase would be if the version 2 table was applied as it currently exists. The reader should understand that these numbers are not final, review of these tables is still ongoing. The purpose of this report is to show the progress made thus far in fixing these tables.

The version 2 table changed several the soils back to non-crop. Not every soil changed was located under agricultural land. The soils that changed back to non-crop which are located in agricultural areas are: AbA, AbB, Ga, NuC, P012B, P282C, P358B, PeB, Q0602A, and St. The soil named 'PeB' makes up 10% of the county and therefore had a significant effect on the value difference between table versions 1 and 2.

County Ag Land Designated as Crop Soil		
Original Table	New Table – Ver. 1	New Table – Ver. 2
14%	42%	28%

The maps on the next page show the additional crop soils due to the version 1 table and the version 2 table. The version 2 table has corrected a large amount of the soils added in the south of the county. There is still a large area of additional crop soils in the Edgemont area, along Hat Creek, along Horsehead Creek, in Minnekahta Valley, and along the Cheyenne River.



	Average Land Value	Table Used	Weighted Rating	Top Dollar
Crop Soil	\$ 845.35	Old	0.892	\$ 947.86
		New	0.698	\$ 1,210.16
		New – After Highest & Best Change	0.665	\$ 1,270.97
Non-crop Soil	\$ 131.26	Old	0.395	\$ 332.00
		New	0.512	\$ 256.20
		New – After Highest & Best Change	0.509	\$ 257.92

To see the effect of these new top dollars we will break the soils into three groups:

- Group 1: Soils that were crop soils on the old table and remained crop soils
- Group 2: Soils that were non-crop soils on the old table and are now crop soils
- Group 3: Soils that were non-crop soils on the old table and remained non-crop soils

Group 1:

Original Crop Soil Group	Top Dollar	Value
New	\$1,210.16	\$ 90,998,546
New – Class 4 move	\$1,270.97	\$95,570,798

The original crop soils group has increase by \$4.5 million due to the change in top dollar that resulted from the moving of soils from non-crop to crop land. [107,646 acres]

Group 2:

Soils that changed highest & best Category	Top Dollar	Value
New as Non-crop	\$256.20	\$ 15,933,637
New as Crop	\$1,210.16	\$ 90,296,377
New with Move	\$1,270.97	\$ 94,833,348

If the soils had remained non-crop their value in the new table would have been \$16 million. Instead, they were moved to crop, this would have resulted in a value of \$90 million. However, their own move caused an increase in the crop top dollar that resulted in an additional increase of \$4 million. So, the overall increase for these moved soils is \$79 million. [117,591 acres]

Group 3:

Remaining Non-Crop Soil Group	Top Dollar	Value
New	\$256.2	\$ 74,223,645
New with Move	\$257.92	\$ 74,722,281

The non-crop soils that remained non-crop increased \$0.5 million due to the change in top dollar resulting from the moving of soils from non-crop to crop land. [569,269 acres]

The majority of this increase is seen in the 14% of the county that had soils that changed from non-crop to crop.

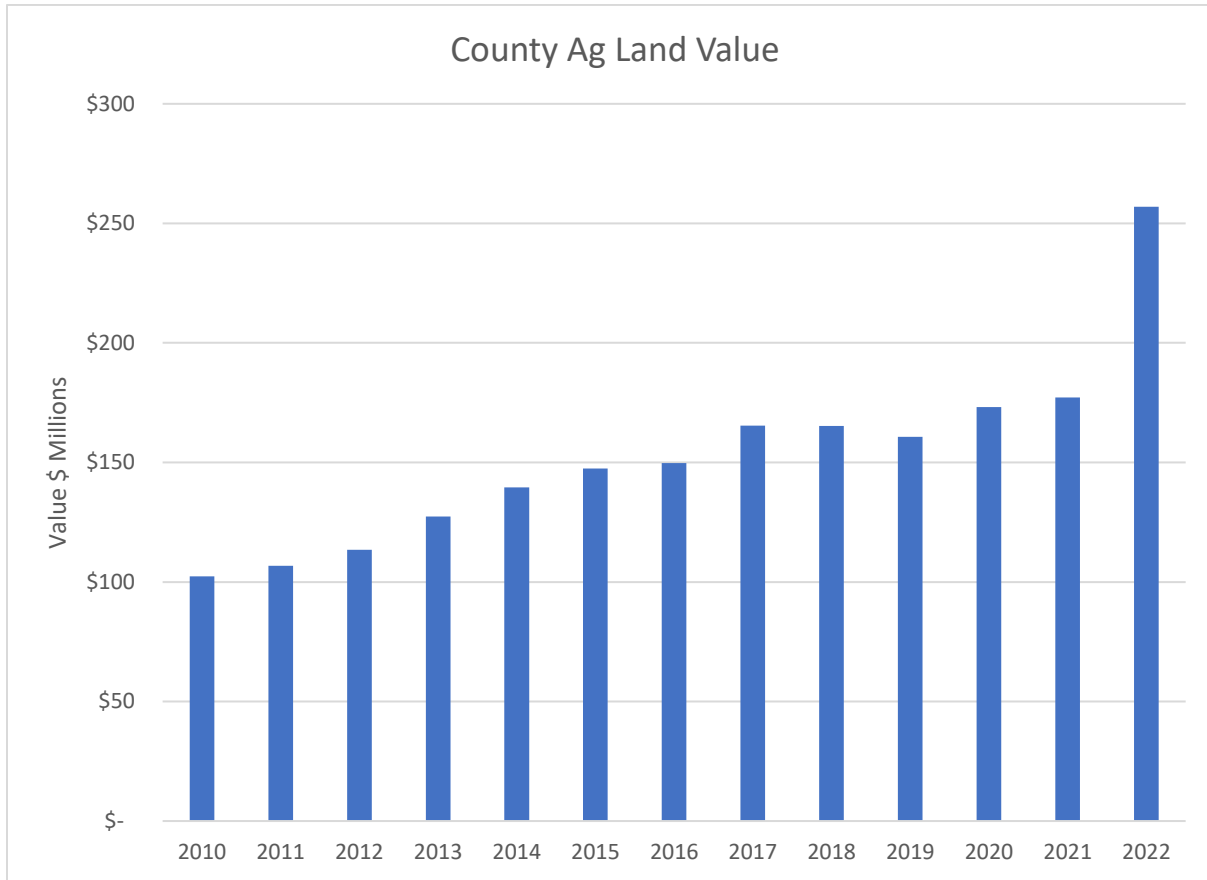
	Value Increase
Group 1	\$4.5 million
Group 2	\$79 million
Group 3	\$0.5 million

State Expected Value for Fall River County	
2021	Version 2 Table
\$ 181 Million	\$ 265 Million

The version 1 table had a State expected value for Fall River County of \$342 million. The version 2 table has cut that increase almost in half. It is still, however, a sizable increase that is larger than the increase we have taken over the last decade.

	Fall River County Ag Land Value	
2010	\$ 102.3 million	
2020	\$ 173.1 million (\$181 before adjustments)	Increase of \$70.8 million over 10 years
Version 2 table	\$ 257.0 million (\$265 before adjustments)	Increase of \$83.9 million

Below is a graph of Fall River County's increases since 2010 with the version 2 table increase.



Report compiled by
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Fall River County 5/28/2021