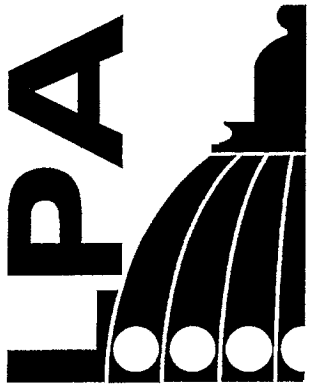

PERFORMANCE AUDIT REPORT

Classification Of Pasture And Rangeland

A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas
September 1989

90PA32

Legislative Post Audit Committee

Legislative Division of Post Audit

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PERFORMANCE AUDIT REPORT

CLASSIFICATION OF PASTURE AND RANGELAND

OBTAINING AUDIT INFORMATION

This audit was conducted by Allan Foster and Tom Vittitow, Auditors, of the Division's staff. If you need any additional information about the audit's findings, please contact Mr. Foster at the Division's offices.

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CLASSIFICATION OF PASTURE AND RANGELAND

Summary of Legislative Post Audit's Findings

How were pasture and rangeland classified and valued during reappraisal? Pasture and rangeland were appraised based on the ability of the land to support livestock. The ability to support livestock is determined by the productivity of the soil. The U. S. Department of Agriculture's Soil Conservation Service mapped all the soil types in Kansas and grouped them into productivity groups by county. To estimate a value for each different soil productivity group, the Division of Property Valuation used a method combining productivity and a typical Statewide rent.

The counties used detailed soil maps to actually appraise pasture and rangeland. Property values were calculated by measuring the area of each soil type and multiplying by the values developed by the Division. The county appraisers could modify the values for specific pieces of property if adverse conditions were present that limited the usefulness and value of the land. The appraisal processes used by the counties we visited were fairly uniform, but adverse land conditions were not always taken into account. In addition, Reno County had a large number of problems resulting from incorrectly classified soil. These two problems led to the majority of the appeals we examined.

We found that the appraisal manual developed by the Division was not specific about how counties were to identify adverse conditions. Unless more specific direction is provided, similar problems may arise during subsequent reappraisals. The report recommends that the Division develop more specific guidelines for identifying adverse conditions, and that these guidelines be made available to all counties for use in the 1990 reappraisals.

How did the reappraisal valuation system affect the value of pasture and rangeland in Kansas? For the parcels of pasture and rangeland we reviewed, reappraisal resulted in a reduction in appraised value of about 6.5 percent. However, the changes in property values varied by county and by specific property within each county. The use-value method of appraisal developed by the Division appears to produce lower property values than would have been the case if only historical rental values had been considered.

We would be happy to discuss the recommendation or any other items in the report with any legislative committees, individual legislators, or other State officials.

Meredith Williams
Legislative Post Auditor

Classification of Pasture and Rangeland

During the recent reappraisal of real property in Kansas, the Department of Revenue's Property Valuation Division applied a valuation method to pasture and rangeland based on the carrying capacity of the land (carrying capacity refers to the number of livestock the land can support). This system is a use-value method of appraisal that had never been used to value agricultural land in Kansas. Prior appraisals of agricultural land used a cost-value method of appraisal designed to arrive at market value. The last appraisals were carried out during the late 1960s and early 1970s.

Article 11 of the Kansas Constitution authorizes the valuation of land devoted to agricultural use on the basis of its agricultural income or productivity, actual or potential. The classification amendment to Article 11 passed in 1986 required that after January 1, 1989, real property was to be classified into four subclasses (one of which was agricultural land) and assessed uniformly each year. State law required the Division of Property Valuation to adopt a classification system for all agricultural land using criteria established by the the U. S. Department of Agriculture's Soil Conservation Service. The law requires the Division to determine the productivity of the land within each county, and base the land's value on capitalized net rental income.

During the 1989 reappraisal, questions were raised about the legality of the use-value method of valuation of pasture and rangeland adopted by the Division. However, on May 22, 1989, the Attorney General issued an opinion stating that the procedure developed by the Director of Property Valuation was within the statutory guidelines.

Legislative concerns have also been raised about how this classification system affected the valuation of pasture and rangeland. These concerns center on the specific method the Division of Property Valuation used to value land, and the effect of using carrying capacity rather than average rental rates as the basis for valuing pasture and rangeland. This audit addresses the following questions:

1. **How were pasture and rangeland classified and valued during reappraisal?**

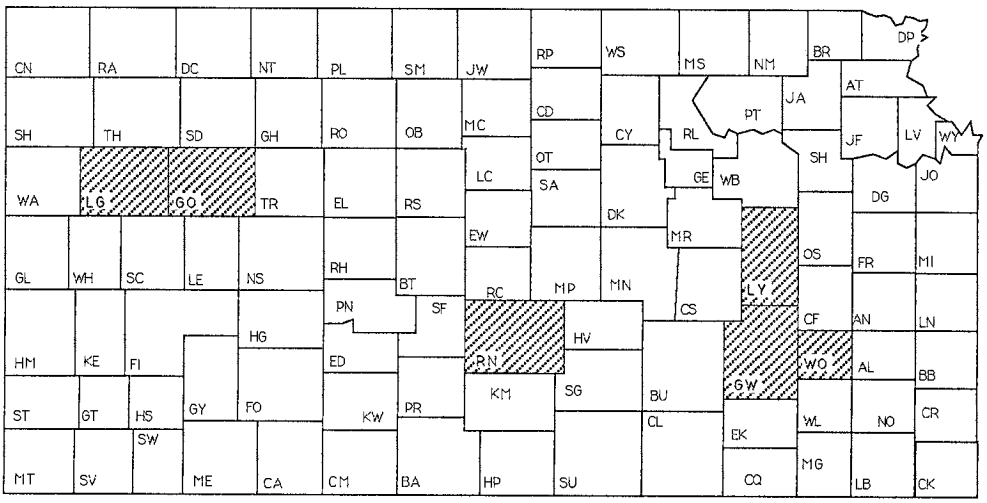
2. **How did the reappraisal valuation system affect the value of pasture and rangeland in Kansas?**

To answer these questions, we interviewed Department of Revenue officials to determine how the current method of appraisal was developed. We visited Gove, Greenwood, Logan, Lyon, Reno, and Woodson Counties. These counties were selected because they had a high percentage of pasture and rangeland and they had varying reappraisal experiences. (The map on the following page shows the counties we visited.) At each county, we interviewed county appraisers about how they conducted appraisals. We also reviewed a sample of appraisals of parcels of land containing pasture or rangeland and a sample of appeals. For a sample of the parcels reviewed, we determined the change in valuation after appraisal.

At the Department of Revenue, we selected a sample of properties with rental rate histories. Using the Department's use-value formula, we compared the use-value of these properties with the values that would result using a rental-rate method of valuation. We also contacted eight other states to find out how they appraise pasture and rangeland.

In general, we found that the appraisal process used in the counties we visited was fairly uniform, but that adverse conditions that affected the value of the land were not fully identified or used in determining land values in four of the six counties. This fact became the biggest source of landowners' complaints. In addition, Reno County had a large number of problems caused by an incorrect classification of a type of soil. In general, for the parcels of land reviewed, valuation of pasture and rangeland decreased as a result of reappraisal. In addition, for the parcels of land reviewed, it appears that valuations based on use-value were actually lower than if rental rates alone had been used.

Counties Visited During the Audit



▨ indicates the counties that we visited. In these counties, we interviewed county appraisers, reviewed a sample of reappraisals of properties containing pasture and rangeland, and reviewed a sample of reappraisal appeals.

How Were Pasture and Rangeland Classified and Valued During Reappraisal?

Pasture and rangeland were appraised based on the ability of the land to support livestock. The U. S. Department of Agriculture's Soil Conservation Service mapped all the soil types in Kansas and grouped them into productivity groups by county. The Division of Property Valuation developed a method using a typical Statewide rent to estimate a value for each different productivity group. The counties used soil maps and the values developed by the Division to appraise property. The appraisal processes they used were fairly uniform, but adverse land conditions that can limit the usefulness and value of the land were not always taken into account. In addition, Reno County had a large number of problems resulting from incorrectly classified soil. These findings are discussed in the sections that follow.

Under Reappraisal, Pasture and Rangeland in Kansas Were Appraised Based On Their Carrying Capacity

Pasture and rangeland were reappraised in 1989 based on the carrying capacity of the land. Carrying capacity, which is based on soil type, identifies the productivity of the land. Carrying capacity is measured in terms of the land's ability to support livestock. The Division of Property Valuation used the concept of carrying capacity along with a typical Statewide rent value to establish a method of determining land values.

The carrying capacity of a particular piece of land depends on its soil type, and is measured in "animal unit months per acre." The U.S. Soil Conservation Service has mapped the soil types in each county. It has also sorted the soil types Statewide into 18 productivity groups based on the amount of grass each will produce. Most counties in Kansas have many different soil types, but the types usually fall into only four or five different soil productivity groups because several soil types have the same level of productivity. Each productivity group has a specific carrying capacity.

What Is the Difference Between Pasture and Rangeland?

Pasture and rangeland are the two classifications of grassland used for grazing livestock. Rangeland is land that has native grass. Pasture is land that has a tame grass such as brome or fescue planted on it for forage. Pasture is capable of producing more forage than rangeland if properly managed. Therefore, the stocking rates for tame grass pastures are 20 percent higher than for rangeland for each soil productivity group.

Carrying capacity refers to the number of animals per acre that can be grazed on that land for one month during the year without injurious effect to the natural vegetative cover. In this case, an animal is defined as a two-year-old steer or a range cow weighing 1,000 pounds. In other words, an acre of land with a carrying capacity of one animal unit month would support a 1,000-pound cow for one month. For example, a 100-acre field made up of soil with a carrying capacity of 1.0 could support 100 cows for one month, 50 cows for two months, or 25 cows for four months.

Likewise, a soil type with a carrying capacity of .5 would require two acres to support a 1,000-pound cow for a month. Capacities are expressed in decimal equivalents and range from .2 animal unit months per acre to 2.0 animal unit months per acre. Carrying capacity values were established by the Soil Conservation Service based on 15-year averages.

The Division attached a value to this measure of productivity by determining a Statewide typical rent based on dollars per animal unit month. To do this, Division officials interviewed approximately 400 operators across the State who rent out pasture and rangeland to determine rents collected and maintenance costs for 1980 through 1987. After the data were collected and analyzed, officials eliminated all but 114 of the interviews, either because they lacked complete information or because it appeared that the leases were not arms-length transactions (for example, a father renting land to his son). Using soil maps, the officials calculated the carrying capacities for the remaining 114 parcels of land. Next, to get rent per animal unit month for each parcel, the officials divided the parcel's average rent over the eight-year period by its carrying capacity.

After reviewing the 114 rent per animal unit month amounts, Division officials determined that $12 was the typical Statewide amount. They used this $12 figure to calculate net rent for each soil productivity group by deducting the average maintenance fee and a management fee. Finally, values for each productivity group were calculated by capitalizing net rent at 15.3 percent. The box below shows three ex-

Computation of Appraisal Value of Pasture and Rangeland Soil Productivity Groups

Appraised values of productivity groups are calculated as shown in the following three examples. First, gross rent is calculated by multiplying the Statewide typical rent per animal unit month by the productivity group's animal unit month rating. Next, net rent is calculated by subtracting management costs (10% of gross rent) and maintenance costs (a set cost of $1.75/acre) from gross rent. The final value is computed by capitalizing the net rent at 15.3 percent. The final value is rounded to get the value used in appraisal.

	Productivity Group "O"	Productivity Group "J"	Productivity Group "E"
Gross Rent			
Statewide Rent per Animal Unit Month times	$12.00	$12.00	$12.00
Animal Unit Months/ acre	x .5	x 1.0	x 1.5
Gross Rent =	$6.00/acre	$12.00/acre	$18.00/acre
Net Rent			
Gross Rent	$6.00/acre	$12.00/acre	$18.00/acre
less Management Costs	-$.60	-$1.20	-$1.80
less Maintenance Cost	-$1.75/acre	-$1.75/acre	-$1.75/acre
Net Rent =	$3.65/acre	$9.05/acre	$14.45/acre
Value			
Net Rent Capitalized Value =	$3.65/.153 $23.85/acre	$9.05/.153 $59.15/acre	$14.45/.153 $94.94/acre
Value rounded =	**$24/acre**	**$60/acre**	**$95/acre**

amples of how values were calculated.

Capitalization is a method for determining the current value of land based on an expected future stream of income. The capitalization rate to be used in calculating values is established in State law. K.S.A. 79-1476 specifies that net income shall be capitalized at a rate determined by the sum of the contract rate of interest on new Federal Land Bank loans in Kansas on July 1 of each year immediately preceding the year of valuation, plus a percentage not less than .75 percent nor more than 2.75 percent, as determined by the Director of the Division of Property Valuation. Division officials calculated these values by dividing expected net annual rent by the capitalization rate of 12.75 percent plus an additional 2.55 percent to account for property tax expense.

To determine if the $12 figure used for Statewide rent per animal unit month was computed accurately, we reviewed the 114 interview forms Division officials used in their study. We tested for calculation errors in a sample of 40 of the interviews. We found some mistakes but not enough to significantly affect the outcome. We also computed the mean and weighted average (weighted for number of acres) of the 114 rent per animal unit month amounts. The mean was $12.31 and the weighted average was $11.97, both of which round to $12.

Counties have the responsibility of identifying adverse influences that affect the value of the land. The values established by the Division assume that the grassland is in average-to-good condition, that adequate water is available, and that there is less than 25 percent canopy cover from trees or shrubs. Obviously, some parcels of land do not meet these standards. Any number of adverse influences can affect the production potential of a specific parcel of rangeland, such as excess canopy cover, rocky areas, and excess erosion. Therefore, the counties were responsible for identifying such influences and adjusting the value based on the degree to which such influences were present. (The box on page six explains adverse influences in more detail.) The ability to adjust for adverse conditions added flexibility to the valuation system, allowing it to recognize individual differences of separate parcels of land.

The Basic Appraisal Process Used In the Counties We Visited Was Fairly Uniform, But Adverse Land Conditions Were Not Taken Into Account In Some Counties

The basic appraisal process for pasture and rangeland was essentially the same in all the counties we visited. Each of the counties had aerial-photograph maps made for the county. Generally, each map showed four sections of land, complete with property lines and lines showing soil types. The productivity group of each soil type also was indicated on the maps. Using the maps, appraisal personnel visited the land and labeled the areas of each parcel used for irrigation, dry crops, pasture, or rangeland. With completed maps, reappraisal personnel calculated how much area was contained in each use and productivity group for each parcel. These figures were then entered into a computer which calculated the land values. The computer system used was the Kansas Computer Assisted Mass Appraisal system, which was devel-

Common Adverse Influences

Values established for soils assume normal land conditions. When conditions are not normal on a parcel of land, some modification of value must be made. The amount of the value adjustment is subjective but should be based on the degree of whatever adverse influences are present. The Department of Revenue has identified the most prevalent adverse influences affecting agricultural land in Kansas. These are summarized below:

Restricted Access — Tracts of land that have poor access, which can diminish the desirability of the land. This is usually caused by narrow or poor roads or bridges.
Canopy Cover — Pasture and rangeland with trees or brush present in an amount to affect the stocking rate and the value.
Excessive Erosion — Tracts of land that have suffered from excessive erosion resulting in reduced ability to grow grass.
Frequent Flooding — Some land in Kansas located adjacent to rivers, large creeks, or other tributaries is subject to frequent flooding. Flooding is considered to be frequent if it occurs 3 or more years out of 10.
Inadequate Water Supply — Tracts of land that do not have adequate water supply available to livestock.
Prairie Dog Towns — Tracts of land with an excessive number of prairie dogs, mostly in western Kansas.
Range Condition — Tracts of grassland that have been overgrazed and the actual stocking rate reduced.
High Incidence of Hail — Cropland where hail occurs often enough to cause the value of the land to be reduced.
Noxious Weeds — Tracts of land where little or no control of noxious weeds has been practiced and the production capability has been diminished.
Non-Productive Land — Cropland or grassland that are non-productive for agricultural purposes.

oped by the Division and installed in each county.

Four of the six counties we visited—Gove, Logan, Reno, and Woodson Counties—contracted with firms to appraise their pasture and rangeland. Only Greenwood and Lyon Counties used their own personnel to appraise pasture and rangeland.

Adverse conditions were not fully identified or used in determining pasture and rangeland values in four of the six counties we visited. The Division provided training classes to the counties and contractors on the appraisal process, made visits to provide assistance, and provided manuals on the process. However, the manuals did not specify when or how adverse conditions were to be identified. It only specified that the county appraiser or the contractor were responsible for identifying the conditions.

We found that adverse conditions were not always considered, as described below:

- In Lyon County, canopy cover identified from the aerial photograph maps was the only adverse condition considered initially. Other adverse conditions such as erosion and range conditions were considered only if landowners appealed.

- In Gove, Logan, and Reno Counties, adverse conditions were not considered at all until the appeal process. In Gove County, no adverse influence factors

were used on rangeland, even after appeals.

- In Greenwood and Woodson Counties, appraisal personnel identified adverse conditions both during the initial appraisal process and during appeals.

Failure to recognize adverse conditions was the most common problem cited in our review of a sample of 28 appeals by landowners; 13 appeals mentioned this factor. Other appeals in the sample tended to be less specific, complaining about such things as soil classification and the land being valued too high.

The cause of most of the appeals relating to adverse conditions was that the land was not visually examined for that purpose during the appraisal. In some of these cases, the adverse conditions were things that would be difficult to identify from an aerial photograph, and unless an appraiser looked at the land, he or she would miss them. Examples would be a swampy area on a parcel, or a field with inadequate water supply. In addition, as one county appraiser pointed out, identification of adverse conditions is very subjective.

An incorrect classification of the soil type in Reno County caused the valu-

Valuation Methods in Other States

Officials from six of the eight states surveyed said that their states' assessed value for pasture and rangeland was based on use value of the land, and the other two officials said that it was a function of market value. Following is a summary of those states' valuation methods.

Use Value:

Colorado's use value is based on the carrying capacity of the land using a capitalized value of animal-unit-month rental rates.

Iowa's use value has a capitalization formula based on a five-year-average income from grass production.

Missouri's use-value system established eight grades of agricultural land based on productive capability and established a dollar amount per acre for each productivity group.

Oklahoma's use value assigns a productivity index number based on soil type and on the use of the land. Rental rates are capitalized to determine a value. In addition, sale prices by classification of land are also considered. Property values are then calculated giving values based on rental rates a weighted factor of 75 percent and the values based on sales a weighted factor of 25 percent.

Texas' use value requires assessment districts to establish both market value and use value for agricultural property. If land is determined to be used for agriculture, the use value method is applied. Districts determine typical lease rates (less expenses) to determine a net lease rate. The net lease rate is capitalized to determine the use-value.

Wyoming's use-value system determines productivity rates by specific areas of the state based on soil types and other conditions. Income per animal unit month is determined and capitalized to calculate the use value.

Market Value:

Nebraska's market value of pasture land is based on soil classifications and the production capability of the land. The production capability is capitalized to determine a market value.

South Dakota's market value considers five factors: ability of land to produce, soil conditions, survey of market values, characteristics of the area, and any other conditions affecting the value of the property.

ations of pasture and rangeland in that county to be set too high. Nearly 40 percent of the soil types making up pasture and rangeland in Reno County was put in the highest productivity group, which has a stocking rate of 2.0. Ranchers presented documentation that showed the actual stocking rate was approximately .9. Because this soil makes up such a large part of the county, a large number of appeals were filed. Counties were supposed to finish hearing final appeals by June 30. However, so many appeals were filed in Reno County that the County Board of Equalization did not finish hearing appeals until August 25.

In April, the county appraiser asked the Division for permission to change the classification of all soil productivity groups in the county. The Division replied that it had concluded that the soils were properly classified and did not feel that a blanket change was justified. In an attempt to solve the problem, the Board of Equalization began using an adverse influence factor to lower the values of the soil for the people that appealed. Finally, in August, Division officials had a meeting with ranchers from the county and agreed to change the classification of the soils in the particular productivity group in question to a lower productivity group with a stocking rate of .9.

Four of the 28 appeals we reviewed in the six counties were complaints about soil classification. Two were from Reno County, one from Greenwood County, and one from Woodson County. As a result of the appeals, adverse influence factors have been applied to the Reno County properties. The Soil Conservation Service checked the two soils in Greenwood and Woodson counties and changed one. The soil problems in these two counties appeared to be isolated problems.

Conclusion

The Department of Revenue used a system of valuation that compensated for differences in quality of land and length of grazing season. Therefore, the system eliminated the need to establish different rental rates for each county in the State. In addition, it treated each parcel of land individually and could be objectively applied in all counties. Appeals of valuations in the counties we visited tended to be caused by adverse conditions not being observed. The appraisal manual is not specific about how counties were to handle adverse conditions. Unless more specific direction is provided, similar problems may arise during subsequent reappraisals.

Recommendation

The Department of Revenue should develop specific guidelines for identifying adverse influences that affect land values. These guidelines should be completed and made available to all counties for use in the 1990 reappraisals.

How Did the Reappraisal Valuation System Affect the Value of Pasture and Rangeland in Kansas?

Collectively, appraised values of the sampled properties were reduced by more than six percent as a result of the 1989 reappraisal. A comparison of values of parcels of land calculated by the method used during reappraisal to values calculated by the average rent method showed that that values resulting from the Department's method were generally lower for the sampled properties.

Valuation of Pasture and Rangeland In the Counties We Visited Appeared To Be Generally Lower After Reappraisal

To determine the effect of reappraisal on the valuation of pasture and rangeland in the six counties we visited, we selected a random sample of 60 agricultural properties with pasture and rangeland. We collected the 1988 and 1989 appraised values of each property. When these values were compared, we found that, overall, the values of property with pasture and rangeland had been reduced about 6.5 percent. However, the changes varied, both by county and within counties. In addition, this sample was not large enough to be statistically significant, so results cannot be projected for the counties shown or the State as a whole. The following table shows the effect of appraisal for the 60 properties in our sample, by county.

Changes in Property Valuation

County	Average Property Value 1988 Value	Average Property Value 1989 Value	Percentage Changes Average Change	Percentage Changes Range
Gove	$18,489	$11,090	- 40.0%	-16.4 to - 72.4%
Greenwood	$26,843	$28,480	6.1	+38.5 to - 16.2
Logan	$10,742	$10,080	- 6.0	+100.0 to - 46.6
Lyon	$18,848	$13,060	- 30.7	+75.1 to - 59.2
Reno	$10,044	$19,070	89.9	+229.4 to - 23.6
Woodson	$12,078	$8,930	- 26.1%	+8.1 to -50.7
Average	**$16,171**	**$15,118**	**- 6.5%**	

As the table shows, the greatest reductions in appraised property values occurred in Gove County, where the average value dropped by 40 percent. One property in the Gove County sample was reduced by more than 72 percent. In Reno County, however, property values sampled experienced an increase of nearly 90 percent from the 1988 values. The appraised value of one property in Reno County increased by more than 200 percent. The short time frame for this audit did not allow us to determine why these values varied as they did.

During the audit, Statewide data were not available to determine the effect of reappraisal on pasture and rangeland Statewide.

If Rental Value Had Been Used Instead of Use Value, Appraisals Generally Would Have Been Somewhat Higher

To compare the difference between land values established by the Division's use-value formula and values that would have resulted based on average rental rates, we selected a sample of 12 properties for which the Division had both historical rental information and number of acres by soil type. This sample came from the interviews used by the Division to calculate the Statewide typical rent.

To derive the use value of the properties, we used the Division's carrying capacity method as described in question one. To derive a value based on rental rates, we capitalized net rent using the capitalization rate developed for the use-value method. Gross rent was calculated by averaging 8 years of actual rent from the years 1980 through 1987. To calculate net rent, we subtracted actual maintenance costs (an eight-year average), and management costs of 10 percent of gross rent (the same amount subtracted in the use-value method.). Total value was calculated by capitalizing net rent using the same rate as was used in the use-value method, 15.3 percent, and multiplying by the number of acres.

Values based on the rental rates were higher than those based on use value for all but two of the 12 properties included in the sample. The following table shows the differences between the rental values and the use values.

Rental Values and Use Values For a Sample of Properties

Property Sample	Rental-Value Method	Use-Value Method	Difference
1	$39,676	$33,056	$6,620
2	$8,412	$7,754	$658
3	$16,732	$10,980	$5,752
4	$7,003	$5, 316	$1,687
5	$9,516	$7,932	$1,584
6	$8,016	$9,697	- $1,681
7	$33,832	$40,998	- $7,166
8	$40,052	$37,447	$2,605
9	$30,562	$28,773	$1,789
10	$26,144	$19,786	$6,358
11	$14,641	$14,244	$397
12	$64,615	$42,609	$22,006

Conclusion

For the sampled properties in the counties visited, reappraisal has resulted in the general reduction in the appraised value of pasture and rangeland by about 6.5 percent. However, the changes in property values vary by county and by specific property within a county. The use-value method of appraisal appears to produce lower property values than would have been the case if only historical rental values had been considered.

APPENDIX A

Agency Responses

On September 7, 1989, we provided copies of the draft audit report to the Department of Revenue and the county appraisers of the counties we visited. We received a response from the Department of Revenue; that response is included in this Appendix. The county appraisers indicated that they had no written comments.

KANSAS DEPARTMENT OF REVENUE
Division of Property Valuation
Robert B. Docking State Office Building
Topeka, Kansas 66612-1585

September 13, 1989

Mr. Meredith Williams
Legislative Post Audit
109 West 9th, Suite 301
Topeka, Kansas

Dear Ms. Williams:

We have reviewed your performance audit report regarding, Classification of Pasture and Rangeland. On an overall basis, we believe the report is objective and factual. We are; however, suggesting some minor technical language changes to further clarify the report. These suggested changes are on pages 3, 4 and 5. A copy of pages 3, 4 and 5 is enclosed showing where these changes are and what they should be.

The first sentence in the first paragraph on page 8 we believe is somewhat misleading. This sentence implies that the Division refused to cooperate with the county. You will find enclosed a copy of the letter from Ms. Bragg and a copy of the response made by the Division. Please note that the county asked for authority to make a blanket change on all productivity groups in the county. The Division of Property Valuation could not authorize a carte blanche authority to change everything as that could have led to a statewide request by all counties to totally abandon all of the guidelines that had been prepared. As noted in your report, the major complaint was later identified and corrected.

If we can assist you further, please contact us.

Sincerely,

Ed Rolfs
Secretary of Revenue

RCW/pkm

cc: Terry D. Hamblin, Director
George Donatello, Reappraisal Coordinator

Phone (913) 296-2365

RENO COUNTY
206 West First St.
Hutchinson, Kansas 67501
Real Estate 316 665-2915
Personal Property 316 665-2918

Appraiser

April 21, 1989

Terry D. Hamblin, Director
Division of Property Valuation
Kansas Department of Revenue
Docking State Office Building
Topeka, Kansas 66612-1585

Dear Sir:

I have been informed by members of the Reno County Hearing Officer's Panel, that they believe the productivity groups of soils for Reno County are incorrect. They have requested that I make a county-wide change of the productivity groups; preferably to match the soil classes as delineated in the Soil Survey Report issued March, 1966, by the Soil Conservation Service.

I know that I am responsible for adjusting values for any agricultural land identified as having an adverse influence which would effect the capability of said land. I am now formally requesting authority from you, the Director of Property Valuation Division, to make blanket changes on all productivity groups in Reno County to conform to the opinions expressed by the Hearing Officer's Panel.

Your early response will be appreciated.

Sincerely,

Alice Bragg

ALICE BRAGG, CKA
Reno County Appraiser

cc: Board of County Commissioners
Hearing Officer's Panel
Ed C. Rolfs, Secretary of Revenue
George A. Donatello, Reappraisal Coordinator
R. C. Walters, Use Value Manager
Keith Farrar, Chairman, Board of Tax Appeals

KANSAS DEPARTMENT OF REVENUE
Division of Property Valuation
Robert B. Docking State Office Building
Topeka, Kansas 66612-1585

May 2, 1989

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RENO COUNTY BOARD
COMMISSIONERS

Ms. Alice Bragg, CKA
Reno County Appraiser
206 West First St.
Hutchinson, Kansas 67501

Dear Ms. Bragg:

We have reviewed your letter of April 21, 1989 and before responding to your specific request, we feel some background information is appropriate.

Historically, SCS has grouped soils based on a capability classification. In this system all the soils are grouped at three levels, the capability class, subclass and unit. The eight capability classes in the broadest grouping are designated by Roman numerals I thru VIII. In Class I are the soils that have few limitations, the widest range of use, and the least risk of damage when they are used. The soils in the other classes have progressively greater natural limitations.

The subclasses indicate major kinds of limitations within the classes. Within most of the classes there can be up to four subclasses.

Although it would be possible to use this system for identification purposes, it would not be practical unless you had a trained soil scientist who could identify all of the major classes and associate each with the appropriate subclass and then place those soils with similar production capabilities into appropriate groups. Without such a procedure you would have at least 16 different land values for dry cultivated land in Reno County.

Because of the above limitations, SCS established a predicted yield for each of the soil types and then those soils having similar production capabilities were placed in Production Groups 1 thru 4 in Reno County. Please note that Productivity Group 1 does not relate to Land Class I and productivity 2 does not necessarily relate to Land Class II.

You should be advised that the yields established for each soil in productivity Group 1 had a spread from 37 bu to 41 bu.; Productivity Group 2 had a spread form 32 bu. to 36 bu.; Productivity Group 3 had a spread of 28 bu. to 31 bu. and Productivity Group 4 had a spread of 24 to 26 bu.

It is further noted that the soil with predicted yield of 41 bushels in Productivity Group 1 (Port Clay Loam) constitutes only .2

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percent of the land in Reno County. The soil with a predicted yield of 32 bushels in productivity Group 2 (Clark - Ost Complex, 1 to 3 percent slope) constitutes only 2.4 percent of the land in Reno County.

Please be advised that the predicted yields established by SCS in 1984 and 1985 are updated yields and do not coincide with those yields in the Published Soil Survey, dated March 1966.

Based on these facts, it is our conclusion that the soils in Reno County were properly placed according to similar production capabilities. Therefore, any attempt to make a blanket change in the Productivity Groups is not justified and is not authorized.

Sincerely,

Terry D. Hamblin,
Director

TDH:jd

cc: George Donatello, Reappraisal Coordinator
R. C. Walters, Use Value Manager