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TO: Ed Caplis, Operations Manager of Tax Policy and Research
FROM: Eric Dale, Tax Policy and Research *ED*
DATE: June 20, 2019
RE: Changes in Total Market Value for Property Tax Classes 3 and 4

The attached tables represent the changes in market value between 2018 and 2019 for property tax classes 3 and 4.

The first table shows the percentage change in total market value for class 4 property. This percentage change is calculated by determining the total market value for class 4 property in 2018 and comparing it to 2019. Total market value for class 4 residential property was 12.48% greater in 2019 relative to 2018, and the total market value of class 4 commercial property was 9.87% larger in 2019 relative to 2018. This growth is the result of two primary elements. The first element influencing growth is newly constructed class 4 properties, and the second element is the result the department updating the market values of individual properties through the reappraisal process. Because the markets are varied throughout the state and because the level of growth is also varied in different areas of the state, the table shows the percentage change in market values of class 4 property by county.

The second table shows the average per acre value of class 3 property for 2018 and 2019, as well as change between 2018 and 2019. The average per acre value for class 3 was \$133.42 in 2018, and \$137.59 in 2019, an increase of \$4.18 per acre. This compares with an estimated class 4 residential value of \$45,060 per acre in 2018 and \$48,049 per acre in 2019, an increase of \$2,989. The data for class 3 is shown in per acre terms because the primary variation in Class 3 property is the result of how the property is classified. Unlike class 4, the class 3 value is derived based on land use (classification), crop prices, and soil productivity. Therefore, showing values by county would not be as relevant as class 4 properties, and measuring per acre values excludes effects of changing land use within class 3 (e.g. moving a property from grazing land to tillable irrigated land).