



Appraisal Newsletter

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County Appraiser

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VALUATION NUMBERS REPORTED

The appraiser's office certified the 2019 real estate and personal property values to the County Clerk on Thursday, May 23. The county's total 2019 assessed value, including state assessed property, is \$1,466,685,439 compared to \$1,393,991,478,972 in 2018. This represents an increase of approximately 5.2 percent. Following is a breakdown of the 2019 numbers at certification compared to the same time frame in 2018:

<u>Category</u>	<u>2019 value</u>	<u>2018 value</u>	<u>%Diff.</u>
Real Estate	\$1,323,261,466	\$1,254,033,254	5.5%
Personal Property	\$20,222,513	\$21,563,795	-6.2%
State assessed	<u>\$123,201,460</u>	<u>\$118,394,369</u>	4.1%
Total	\$1,466,685,439	\$1,393,991,418	5.2%

The total real estate value is shown without the portion that is rebated through the TIF (Tax Increment Financing) projects. There are several appeals still awaiting hearings or decisions at the Kansas Board of Tax Appeals. Therefore, the real estate value could change slightly by November.

The personal property numbers will continue to increase as the appraiser's office continues to work the "failure to file" renditions. These are county property owners who filed a personal property return in 2018 but have not filed one in 2019.

New construction in the county totaled \$26,256,412 in assessed valuation.

2019 SALES INFORMATION UPDATED

In the first part of June, a total of 119 sales questionnaires involving 122 parcels were worked by the appraiser's office. To date in 2019, through the 20th of June, the office has worked 1,033 questionnaires involving 1,177 parcels.

During the first six (6) months of 2019, the office has worked 530 existing residential home sales. The average sale price for the existing residential home sales is \$238,182. Of course, the

average can be affected by the type and range of sale prices of the homes selling.

To date, the staff has worked 50 new home sales. The average sales price of the new homes is \$339,322.

On the commercial side there have been 33 sales. The average sale price is \$1,497,588. Sales continue strong on commercial properties thus far.

The appraiser's office is reviewing the sales as we prepare for the future years valuation. It is still very early in our analysis, too early to make any predictions for 2020.

PERSONAL PROPERTY ACTIVITY

The personal property staff is continuing to work on this year's failure to file renditions. A total of 1,952 renditions were not filed by the filing deadline, March 15. There are still 1,660 of those still outstanding. This compares to 2,117 last year in 2018. The staff prepares a rendition based on the previous year's information and mails it to the property owner for their review. Property owners may also file a rendition if they did not receive one in the mail. It is the responsibility of the taxpayer to list taxable personal property with the county appraiser. However, the county appraiser must try to make sure that all property is listed if possible.

At certification the penalty valuation was \$1,294,365 appraised value. As of this morning it is now \$1,264,729 with the late filings we have processed. As a comparison, for 2018 the penalty appraised value at certification was \$1,433,651 and that had dropped to \$1,227,841 appraised value for penalties when the bills were mailed on November 1, 2018.

There were 6 taxpayers that requested informal hearings for their 2019 personal property. One taxpayer cancelled his hearing, 2 did not show up at the scheduled hearing and 3 informal hearings were held. All 3 of the hearings resulted in a lowering of the values. The total reduction was \$5,410 in appraised value or \$271 in assessed value. All of the hearings were on watercraft with a 5% assessment rate.

A MOVING TARGET

By Karla Grosdidier

Personal Property is an entirely different process than real property is in many ways. One of the biggest differences is the fluctuation of values. Real property doesn't fluctuate in TOTAL values once the values are certified for the tax year. Properties may be sold, split or combined but the total value doesn't normally change. Personal property fluctuates daily and never stops changing; even after certification and even after tax bills are sent. Many people wonder why and there are multiple reasons. One of the biggest reasons is pro-ration of assets. The assessment date of January 1 of each tax year is used for personal property and most personal property assets cannot be pro-rated after the January 1 assessment date. Mobile homes, ATV's, moped's, trailers, commercial equipment, golf carts, non-RV travel trailers and aircraft to name a few. Other assets CAN be pro-rated after the January 1 assessment date. Assets that qualify for pro-ration include watercraft, trucks over 20M, trucks with 16/20M tags and non-highway vehicles. We can pro-rate them both on and off of the tax rolls due to a purchase or sale, moving the asset to another state or even if the asset is destroyed and the owner disposes of it. In order for the County Appraiser's Office to pro-rate an asset, the taxpayer MUST communicate the information to the personal property section. The office may ask for documentation such as a bill of sale or tax receipt from another county or state. Notification of Watercraft disposals must be made to the County Appraiser's office by December 20 of the tax year or by state law no pro-ration or changes to the tax bill can be made on watercraft. Pro-rating assets is just one reason that the personal property values continually change, but it is a very big reason for value changes.

AD VALOREM TAX SYSTEM

An ad valorem tax is one that is based on the value of a property. Typically this is imposed on real and personal property in order to provide revenue for state, county, and municipal governments as well as public school systems.

The process starts with the valuation of property by the County Appraiser. This process is a separate function from the tax amount calculation.

Values are established for all taxable property as of January 1 of each tax year. The process is a year round project. The appraisal staff begins by reviewing, verifying and collecting data about each property. This involves physical reviews, verifying or measuring the improvements on the property and determining the quality and condition of those structures.

Staff also evaluate sales and the terms of the sale to determine if it represents the typical transaction for a particular type of property or the location. We also will gather information about rents and expenses to help determine what the typical market is paying and receiving. All of this information is analyzed to

determine what the typical fair market value for different types of properties might be.

Once that stage is complete, valuation models are built using statistical analysis and testing to arrive at what is considered a reasonable fair market valuation for any given property. Generally speaking, we are shooting for a value that is within 10% either side of an actual sale price or value.

Residential properties are generally valued based on the sales comparable approach, sometimes on the cost approach and occasionally by the income approach. On the other hand, commercial properties are usually valued by the income approach and sometimes on the cost approach. A commercial sale comparison approach is more difficult in a mass appraisal system because of the many variations in the properties.

The models are tested and adjusted until they produce value estimates within the specified statutory limits of statistical analysis. When we are satisfied with the models, they are applied to each real property record in our system. Then each property record is reviewed by the appraisal staff to check and verify the reasonableness of the indicated values.

Personal property that is not valued as tagged and taxed (you pay taxes when you get the tag) are typically valued by schedules with some variations possible. This is a continual, on-going project as property is bought, sold and moved around.

Once the values have been selected for each property, a quality control check is performed. Any values that may have an indicated increase or decrease in value compared to the prior year are reviewed once again.

When the values are satisfactory, the Change of Value Notices are produced and sent to each property owner.

EMPLOYEE HIGHLIGHTS

Several staff members have attended and completed continuing education courses, workshops and conferences. The courses are designed to help the student acquire or maintain skills and knowledge that is beneficial to the mass appraisal process. Many times new ideas, techniques and methods are brought back to the office to make us more efficient and proficient in our duties and tasks. Through networking we can learn what works, what doesn't, and other useful information from our colleagues across the state.

The Appraisers' Office believes that continuing education courses prepares us to provide the most capable and fair service to all property owners in the county.

We are lucky to have such a great staff!