



# Appraisal Newsletter

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## CHANGE OF VALUE NOTICES

The 2020 change of value notices were mailed to Douglas County real property owners on Friday, February 28. Property owners wanting to contest their value will need to fill out the appeal request form on the back of the change of value notice and return it to this office no later than Monday, March 30 at 5 p.m. to request an informal meeting with the appraiser's office. Informal meetings will begin the week of March 23. All of the hearings will once again be held in the basement of the county courthouse at 1100 Massachusetts. The number of informal meetings held in the spring of 2019 was 779 compared to 651 in 2018. There were 976 in 2017; 497 in 2016; 788 in 2015; 783 appeals in 2014 but only 409 informal hearings in 2013. In 2012 there were 1,101; 2011 had 1,229; 848 in 2010.

## VALUATION SUMMARY

The total real estate assessed valuation for 2020 as of February 24 was \$1,393,777,447 compared to \$1,333,706,703 the same time in 2019. This represents an increase of \$60,070,744, approximately 4.5 percent. Some of the increase was due to new construction, reclassifying properties and an increase in the agricultural use values. The assessed value was \$1,261,443,540 in 2018; \$1,197,878,064 in 2017; \$1,121,055,020 for 2016; \$1,080,475,303 in 2015; \$1,046,928,664 in 2014; \$1,024,482,341 in 2013; \$1,027,525,329 in 2012; \$1,029,019,175 in 2011; \$1,017,646,088 in 2010.

Following is a breakdown of the property assessed values by class for 2020 vs. 2019:

Property Class	2020 As'd Value	2019 As'd Value
Residential	\$958,096,678	\$901,742,890
Farmstead	\$44,220,545	\$41,401,404
Vacant	\$18,548,229	\$17,681,156
Agricultural	\$24,327,229	\$23,507,079
Commercial	\$348,053,413	\$348,913,294
Not for Profit	\$533,170	\$416,804

Property Class	2020 As'd Value	2019 As'd Value
Other	\$15,933	\$62,415
Exempt dams	-\$17,750	-\$18,339
Total	\$1,393,777,447	\$1,333,706,703

Based on past experience, the county can expect to see the real estate valuation decrease up to one percent during the informal and formal hearing processes. The 2019 valuation has dropped by about 1.23% to \$1,317,535,574. The informal hearings are those held with staff members from the county appraiser's office. The formal hearing process includes the hearings that are filed with the small claims and regular division of the State Board of Tax Appeals in Topeka.

The real estate assessed valuation is only a portion of the taxable valuation on which the mill levies are calculated. The state assessed valuation and personal property valuations have an impact on the total valuation. Typically, the personal property tends to decline from year to year.

## PERSONAL PROPERTY REPORTING

The deadline to file 2020 personal property renditions is Monday, March 16, 2020 at 5 p.m. Oil and gas renditions must be filed on or before April 1. To date, approximately 3,504 or almost 48 percent of the 7,325 accounts have been returned to the appraiser's office. About 3,546 renditions are still outstanding. Over 65 oil and gas renditions representing 155 accounts have been mailed to producers and owners. To date, we have received six (6) of those completed oil and gas forms which are due April 1, 2020.

Late filings are subject to a penalty. Penalties for late filings are five (5) percent per month up to a maximum of 25 percent. The penalty for failing to file a personal property rendition is 50 percent. The Appraiser's Office will send letters to those who have not filed reminding them to avoid unnecessary penalties by returning the rendition.

## 2020 SALE INFORMATION REPORTED

The appraiser's office has already begun tracking the new 2020 sales in the county. The number of sales validation questionnaires worked by the sales section since January 1 is

172 which involved 187 parcels. This number is down slightly from 2019 when 209 sale questionnaires involving 242 parcels were worked during the same time frame.

The average sale price for the valid residential sales to this time in 2020 is \$222,720 compared to \$241,613 in 2019. The average sale price is an indicator of the types or price ranges of the homes that sold and not an indicator of sale price trends. In 2018 the average sale price was \$258,596; \$215,046 in 2017; \$196,350 in 2016; \$188,176 in 2015; \$198,400 in 2014; \$185,840 in 2013; \$179,660 in 2012; \$212,340 in 2011; \$170,200 in 2010; \$174,400 in 2009; \$191,200 in 2008; \$188,600 in 2007; \$184,620 in 2006; \$176,900 in 2005; \$165,200 in 2004 and 2003; \$148,800 in 2002; \$139,160 in 2001 and \$132,500 in 2000.

### ***FAIR MARKET VALUE***

The Kansas statutes state that all taxable properties are to be valued for ad valorem tax purposes at “fair market value”. But what exactly is fair market value? Often times it is loosely translated as the price at which something will sell for. However, that translation does not go far enough. The actual sale price, or what was paid for the property, may not truly be the fair market value. The “actual selling price” is the observed selling price represented by cash or the equivalent units in a transaction. Only when that transaction meets the requirements of a market value exchange can that actual selling price also represent the fair market value. K.S.A. 79-503a states that “‘Fair market value’ means the amount in terms of money that a well informed buyer is justified in paying and a well informed seller is justified in accepting for property in an open and competitive market, assuming that the parties are acting without undue compulsion”. Another definition of fair market value that mass appraisal recognizes is “The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus”. Sales that have resulted from the foreclosure process, either purchases from a bank or an owner facing foreclosure, fall into the category of being “affected by undue stimulus”. If not for the pressure to remove the REO from the banks inventory or the owner facing foreclosure complications, the property would most likely sell at a price similar to its neighbors not similarly affected; it’s true fair market value. In mass appraisal for ad valorem purposes, market value is a conclusion derived from observing a number of arm’s length sales. The actual sale price is a fact about one particular property that may or may not reflect the fair market value for that or similar properties.

### ***VALUATION APPEALS***

One of the procedures that allows a property owner to voice disagreement with the valuation the county has arrived at as of January 1 of each year is the informal meeting with the County Appraiser’s staff. This does require the filing of forms in order to document the request and related actions. During this

meeting, the appraiser will explain the appraisal process and review the characteristics of the property. Additionally, they will explain the method and reasoning that went into the selection of the value in question. The property owner also has the opportunity to point out differences in the characteristics, suggest other comparable sales or pertinent evidence and gain a better understanding of the process.

For the past several years, the number of informal meetings has held steady at around 3-5 per cent of the total parcel count in the county. For the 2019 tax year, there have been 937 informal meetings (including PUP) scheduled or approximately 2.3 percent of the total population. Of those, 406 received some form of adjustment, 521 were not changed and 10 are awaiting decisions. The latter ones are Payment Under Protest applications filed after the first half of the taxes were paid recently.

This year informal meetings may begin by March 23. We are obligated by statute to make any decisions on those meetings no later than May 20. Typically, we will make every effort to notify owners of a decision on their property within two to three weeks after the actual meeting date. However, there may be some that require more time to reconcile. Options exist for owners to meet with staff in person or by telephone. Property owners may contact the Appraisers Office for documentation or assistance in preparing for their meeting.

### ***MEDIAN RESIDENTIAL VALUES***

A study recently conducted by the county appraiser’s office indicates that the median market value for all residential property, four living units or less, in the county for the 2020 valuation year is approximately \$199,800 compared to \$186,800 for 2019; \$176,700 for 2018; \$169,400 in 2017; \$165,000 in 2016; \$161,300 in 2015; \$159,200 in 2014; \$157,000 in 2013; \$160,800 in 2012; \$164,100 in 2011; 162,000 in 2010. The median residential market values for the cities in Douglas County are listed below:

<b><i>Cities</i></b>	<b><i>Median market value</i></b>	<b><i>2019 Median</i></b>
Baldwin	\$171,795	\$163,700
Eudora	\$176,600	\$163,770
Lecompton	\$127,250	\$118,390
Lawrence	\$197,095	\$185,020
Rural	\$252,630	\$244,700

The median market values for residential properties in the following school districts are:

<b><i>School district</i></b>	<b><i>Median value</i></b>	<b><i>2019 Median</i></b>
U.S.D 497 (Lawrence)	\$200,200	\$187,900
U.S.D. 491 (Eudora)	\$188,535	\$172,800
U.S.D. 348 (Baldwin)	\$201,250	\$183,015
U.S.D. 343 (Lecompton)	\$220,200	\$206,350