



Appraisal Newsletter

Douglas County Kansas

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2017 FINAL REVIEW BEGINS

The final review to establish values as of January 1, 2017 begins later this month. Five (5) staff appraisers will be working on the residential and agricultural properties while two (2) staff appraisers will work on commercial properties. The final review process is scheduled to be complete by January 30, 2017. The purpose of final review is to establish the fair market value for each parcel of real estate.

The county, as of October 31, 2016, has 40,377 parcels that will be reviewed and valued for 2017. The office is in the final stages of preparation for this task. The mix of parcels includes:

Type	Urban	Rural	Total
Residential	27,469	2,987	30,456
Farm with home	270	1,432	1,702
Agricultural	554	2,326	2,880
Vacant Lots	1,920	602	2,522
Commercial/industrial	1,419	104	1,523
Exempt	913	320	1,233
Not-for-profit	12	0	12
Other	3	2	5
Utility	24	19	43
Total	32,584	7,792	40,377

Change of value notices will be mailed to all Douglas County property owners by March 1, 2017. Property owners will have until March 30, 2017 to appeal the 2017 valuation.

The personal property division is adding newly acquired assets to existing and new accounts for the tax year 2017. We anticipate mailing approximately 8,100 personal property assessment forms or renditions by the first week of January 2017. To avoid filing penalties, the forms must be returned to the Douglas County Appraisers Office on or before March 15, 2017.

2016 SALES DATA REPORTED

During October the appraiser's office worked 176 Sales Validation Questionnaires (SVQs) involving 178 parcels compared to 121 SVQs and 126 parcels in October 2015. To date in 2016 the office has worked 2,110 SVQs involving 2,336

parcels compared to 2,041 SVQs and 2,223 parcels for the same time period in 2015.

The average sales price for existing housing is \$214,594, up from \$213,992 in 2015. This represents an increase of approximately 0.28% over the previous year. The current median residential sales ratio on valid sales is 98.2 percent compared to 96.4 percent at this time in 2015.

Commercial sales picked up slightly in 2016 compared to 2015. There have been 47 valid or potentially valid commercial sales to date compared to 43 commercial sales at this time in 2015. The current median commercial sales ratio on 16 valid sales is 92.6 percent.

BUILDING PERMIT ACTIVITY

The City of Lawrence issued permits for 125 new single family residences, 28 new duplex structures, 73 multifamily buildings and 22 new commercial structures since the first of this year. During the month of October there were 11 new single-family, 14 duplex and 1 commercial building permits issued.

In Eudora, a total of 343 building permits have been issued YTD through October. That number includes five (5) new single family permits. All other permits were for building additions or remodels.

2016 MILL LEVIES ESTABLISHED

Following is a list of some of the mill levies for 2016. The individual mill levies are used to establish the individual tax bills. Mill levies changed between -2.065 and 6.452 mills per \$1,000 across the county. The formula to calculate the tax bill is: $mill\ levy \times (assessed\ value / 1,000) = tax\ bill$.

	2016	2015	2014
Lawrence:			
Tax Unit 041	130.970	130.992	129.736
Tax Unit 042	132.034	132.049	130.799
Tax Unit 043	130.970	130.992	129.736
Tax Unit 044	132.944	129.846	128.946
Tax Unit 048	131.904	131.889	130.657

Tax Unit 051	132.470	131.988	130.737
Tax Unit 054	133.069	133.091	131.783
Eudora:			
Tax Unit 020	159.720	153.720	146.912
Baldwin:			
Tax Unit 001	159.484	157.640	152.829
Lecompton:			
Tax Unit 080	136.291	133.789	134.327

Mill levies for tax units that are not shown are available upon request or on the Douglas County website.

2016 EFFECTIVE TAX RATES SET

The effective tax rates for 2016 have been established by the appraiser’s office. These rates will be used in some calculations for the 2017 valuation. The effective tax rate is one of the components of the capitalization rate which is used in the income approach to value. The county uses the income approach to value for many of the commercial properties and some residential income producing properties such as apartments.

The effective tax rate expresses the relationship between the property value (market value) and the tax bill. For example, if the effective tax rate is three (3) percent, the taxes on an individual property would be approximately three (3) percent of the property’s market value. One way to calculate the effective tax rate is to multiply the tax rate (the mill levy) times the level of assessment (classification rate). For example, the effective tax rate for commercial property is calculated by multiplying the mill levy for each taxing district by the classification assessment rate (25 percent).

$$.130970 \text{ (Lawrence mill levy/\$1)} \times .25 \text{ (classification rate)}$$

The assessment rate for all residential property is 11.5 percent of the appraised value and commercial property is assessed at 25 percent of the appraised value. Agricultural land is assessed at 30 percent of appraised use value.

The 2016 effective tax rates to be used in the 2017 valuation process have not changed or seen very much change in many areas of the county. Following is a partial list of the effective tax rates that will be used in the 2017 valuation process:

Tax Unit	Effective Tax Rate		Residential	
	Commercial 2016	Commercial 2015	2016	2015
001 (Baldwin)	3.99	3.94	1.83	1.81
020 (Eudora)	3.99	3.84	1.84	1.77
041 (Lawrence)	3.27	3.27	1.51	1.51
048 (North Lawrence)	3.30	3.30	1.52	1.52
051 (Lawrence)	3.31	3.30	1.52	1.52
054 (Lawrence)	3.33	3.33	1.53	1.53
080 (Lecompton)	3.41	3.34	1.57	1.54

2016 PENALTY TAX DOLLARS

Each year a penalty is assessed to personal property owners who fail to file their personal property renditions by the deadlines established by the Kansas statutes. Kansas is a self reporting state when it comes to personal property per K.S.A. 79-303. This is because personal property is numerous and typically not visible from the exterior of buildings. It also has a shorter life and is more easily traded, sold or scrapped. A rendition is considered late if it is filed after March 15 of each year. The amount of the penalty is specified in the statutes based on how late the rendition is filed with the county appraiser’s office. The total amount of the penalties assessed on personal property in 2016 total to \$1,304,433. As one can see it is of utmost importance that owners/taxpayers file their personal property renditions in a timely manner.

The total personal property assessed value for 2016 is currently \$25,644,216 with penalties included. Without penalties the assessed value is \$24,339,783. In 2015 the assessed value with and without penalties was \$27,206,071 and \$25,655,777 respectively. This represents a decrease of almost 5.13% in personal property assessed value without penalties year over year. The decline is largely due the loss from businesses purchasing new equipment and disposing of older, taxable equipment. This is a result of the exemption for equipment purchased after July 1, 2006 which took effect after passage by the state legislature. This decline will likely continue into the future as equipment is replaced or businesses are sold to new owners or go completely out of business. There have been other changes to the personal property tax laws that have also had an effect on the decline.

2016 VALUATION CHANGES

The total valuation of real estate established in March is usually different by the time the tax bills are calculated and mailed in November. The valuation can be challenged at various times during the year. The first opportunity is in the spring after the Change of Value Notice has been mailed to owners. The second opportunity does not occur until after the tax bills are sent in November. There are circumstances that may also cause a value correction during the year that may be reflected in value changes by this time. Such things may include exemption orders or the discovery of errors.

Due to the results of valuation appeals and other value changes, the assessed value typically will decline between 0.5% and 1.0%. The total real estate assessed valuation on February 22, 2016 was \$1,121,055,020. The total real estate assessed valuation currently stands at \$1,116,632,808. That’s a drop of \$4,422,212 or about 0.39%.