



# Appraisal Newsletter

## Douglas County Kansas

Steven Miles, RMA  
County Appraiser

Volume 22, Issue 2

November 1, 2017

### 2018 FINAL REVIEW BEGINS

The final review to establish values as of January 1, 2018 begins later this month. Four (4) 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, 2018. The purpose of final review is to establish the fair market value for each parcel of real estate.

The county, as of October 31, 2017, has 40,601 parcels that will be reviewed and valued for 2018. The office is in the final stages of preparation for this task. The mix of parcels includes:

Type	Urban	Rural	Total
Residential	27,672	3,026	30,698
Farm with home	269	1,416	1,685
Agricultural	573	2,350	2,923
Vacant Lots	1,885	610	2,495
Commercial/industrial	1,417	103	1,520
Exempt	909	315	1224
Not-for-profit	11	0	11
Other	3	2	5
Utility	21	19	40
<b>Total</b>	<b>32,760</b>	<b>7,841</b>	<b>40,601</b>

Change of value notices will be mailed to all Douglas County property owners by March 1, 2018. Property owners will have until March 30, 2018 to appeal the 2018 valuation.

The personal property division is adding newly acquired assets to existing and new accounts for the tax year 2018. We anticipate mailing approximately 7,650 personal property assessment forms or renditions by the first week of January 2018. To avoid filing penalties, the forms must be returned to the Douglas County Appraisers Office on or before March 15, 2018.

### 2017 SALES DATA REPORTED

During October the appraiser's office worked 181 Sales Validation Questionnaires (SVQs) involving 241 parcels compared to 176 SVQs and 178 parcels in October 2016. To date in 2017 the office has worked 2,225 SVQs involving 2,441

parcels compared to 2,110 SVQs and 2,336 parcels for the same time period in 2016.

The average sales price for existing housing is \$213,870, down slightly from \$214,594 in 2016. The current median residential sales ratio on valid sales is 95.8 percent compared to 98.2 percent at this time in 2016.

Commercial sales slowed down in 2017 compared to 2016. There have been 12 valid or potentially valid commercial sales to date compared to 47 commercial sales at this time in 2016. The current median commercial sales ratio on 9 valid sales is 94.0 percent.

### BUILDING PERMIT ACTIVITY

The City of Lawrence issued permits for 131 new single family residences, 23 new duplex structures, and 13 new commercial structures since the first of this year. During the month of October there were 13 new single-family 4 new commercial building permits issued.

The county has issued 8 new single family permits during September.

In Eudora, a total of 445 building permits have been issued YTD through October. That number includes 13 new single family permits and 3 new manufactured homes. All other permits were for building additions or remodels.

### 2017 MILL LEVIES ESTABLISHED

Following is a list of some of the mill levies for 2017. The individual mill levies are used to establish the individual tax bills. Mill levies changed between -0.695 and 5.777 mills per \$1,000 assessed value across the county. The formula to calculate the tax bill is:  $mill\ levy \times (assessed\ value / 1,000) = tax\ bill$ .

	2017	2016	2015
Lawrence:			
Tax Unit 041	136.747	130.970	130.992
Tax Unit 042	137.777	132.034	132.049
Tax Unit 043	136.747	130.970	130.992

Tax Unit 044	136.720	132.944	129.846
Tax Unit 048	137.681	131.904	131.889
Tax Unit 051	138.231	132.470	131.988
Tax Unit 054	138.837	133.069	133.091
<b>Eudora:</b>			
Tax Unit 020	162.767	159.720	153.720
<b>Baldwin:</b>			
Tax Unit 001	162.349	159.484	157.640
<b>Lecompton:</b>			
Tax Unit 080	138.373	136.291	133.789

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

### 2017 EFFECTIVE TAX RATES SET

The effective tax rates for 2017 have been established by the appraiser’s office. These rates will be used in some calculations for the 2018 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).

$$.136747 \text{ (Lawrence mill levy/}\$1) \times .25 \text{ (classification rate)}$$

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.

Following is a partial list of the effective tax rates that will be used in the 2018 valuation process:

Tax Unit	Effective Tax Rate			
	Commercial		Residential	
	2017	2016	2017	2016
001 (Baldwin)	4.06	3.99	1.87	1.83
020 (Eudora)	4.07	3.99	1.87	1.84
041 (Lawrence)	3.42	3.27	1.57	1.51
048 (North Lawrence)	3.44	3.30	1.58	1.52
051 (Lawrence)	3.46	3.31	1.59	1.52
054 (Lawrence)	3.47	3.33	1.60	1.53
080 (Lecompton)	3.46	3.41	1.59	1.57

### 2017 PERSONAL PROPERTY VALUATION

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 2017 total to \$1,535,089. 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 2017 is currently \$23,655,143 with penalties included. Without penalties the assessed value is \$22,120,994. In 2016 the assessed value with and without penalties was \$25,644,216 and \$24,339,783 respectively. This represents a decrease of almost 9.12% 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.

### 2017 RE 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 27, 2017 was \$1,197,581,209. The total real estate assessed valuation currently stands at \$1,190,614,601. That’s a drop of \$6,966,608 or about 0.58%.