



Appraisal Newsletter

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2020 FINAL REVIEW BEGINS

The final review to establish values as of January 1, 2020 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, 2020. The purpose of final review is to establish the fair market value for each parcel of real estate.

The county, as of October 28, 2019, has 40,943 parcels that will be reviewed and valued for 2020. The office is in the final stages of preparation for this task. The mix of parcels includes:

Type	Urban	Rural	Total
Residential	28,071	3,073	31,144
Farm with home	264	1,446	1,710
Agricultural	552	2,404	2,956
Vacant Lots	1,703	619	2,322
Commercial/industrial	1,419	100	1,519
Exempt	917	313	1,230
Not-for-profit	10	1	11
Other	3	2	5
Utility	26	20	46
Total	32,965	7,978	40,943

Change of value notices will be mailed to all Douglas County property owners by March 1, 2020. Property owners will have until March 30, 2020 to appeal the 2020 valuation.

The personal property division is adding newly acquired assets to existing and new accounts for the tax year 2020. We anticipate mailing approximately 7,300 personal property assessment forms or renditions by the first week of January 2020. To avoid filing penalties, the forms must be returned to the Douglas County Appraisers Office on or before March 15, 2020.

2019 SALES DATA REPORTED

During October the appraiser's office worked 31 Sales Validation Questionnaires (SVQs) involving 31 parcels compared to 98 SVQs and 99 parcels in October 2018. To date in 2019 the office has worked 1,522 SVQs involving 1,573 parcels compared to 1,817 SVQs and 1,865 parcels for the same time period in 2018.

The average sales price for existing housing is \$242,042, up slightly from \$241,940 in 2018. The current median residential sales ratio on valid sales is 94.14 percent compared to 92.85 percent at this time in 2018.

Commercial sales picked up in 2019 compared to 2018. There have been 28 valid or potentially valid commercial sales to date compared to 21 commercial sales at this time in 2018. The current median commercial sales ratio on 15 valid sales is 89.17 percent.

BUILDING PERMIT ACTIVITY

The City of Lawrence issued permits for 1287 new single family residences, 14 new multi family structures, and 11 new commercial structures since the first of this year. During the month of October there were 5 new single-family and 1 multi-family building permits issued.

The county has issued 10 new single family permits during September.

In Eudora, a total of 11 building permits have been issued YTD through September. All of them are for single-family dwellings.

2019 MILL LEVIES ESTABLISHED

Following is a list of some of the mill levies for 2019. The individual mill levies are used to establish the individual tax bills. Mill levies changed between -2.635 and 7.052 mills per \$1,000 assessed value across the county. The formula to calculate the tax bill is: $mill\ levy \times (assessed\ value / 1,000) = tax\ bill$.

	2019	2018	2017
Lawrence:			
Tax Unit 041	134.233	135.220	136.747
Tax Unit 042	135.257	136.241	137.777
Tax Unit 043	134.233	135.220	136.747
Tax Unit 044	136.812	136.699	136.720
Tax Unit 048	135.125	136.125	137.681
Tax Unit 051	135.212	136.220	138.231
Tax Unit 054	136.245	137.310	138.837
Eudora:			
Tax Unit 020	162.418	161.957	162.767

Baldwin:			
Tax Unit 001	156.313	158.948	162.349
Lecompton:			
Tax Unit 080	137.875	138.096	138.373

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

2019 EFFECTIVE TAX RATES SET

The effective tax rates for 2019 have been established by the appraiser’s office. These rates will be used in some calculations for the 2020 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).

$$.135220 \text{ (Lawrence mill levy/\$1)} \times .25 \text{ (classification rate)}$$

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 2020 valuation process:

Tax Unit	Effective Tax Rate		Residential	
	Commercial 2019	Commercial 2018	2019	2018
001 (Baldwin)	3.91	3.97	1.80	1.83
020 (Eudora)	4.06	4.05	1.87	1.86
041 (Lawrence)	3.36	3.38	1.54	1.56
048 (North Lawrence)	3.38	3.40	1.55	1.57
051 (Lawrence)	3.38	3.41	1.55	1.57
054 (Lawrence)	3.41	3.43	1.57	1.58
080 (Lecompton)	3.45	3.45	1.59	1.59

2019 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 2019 total to \$1,015,051. 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 2019 is currently \$21,443,462 with penalties included. Without penalties the assessed value is \$20,428,411. In 2018 the assessed value with and without penalties was \$22,869,988 and \$21,642,206 respectively. This represents a decrease of 5.6% 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.

Personal Property is an on-going process and will cause the values to change slightly by the time tax bill are sent to property owners.

2019 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, exemptions and other value changes, the assessed value typically will decline between 0.5% and 1.0%. The total real estate assessed valuation on February 12, 2019 was \$1,333,705,809. The total real estate assessed valuation currently stands at \$1,321,836,650. That’s a drop of \$11,869,159 or about 0.89%.