
Appraisal Newsletter

January 1, 2003

Volume 7, Number 5

PERSONAL PROPERTY RENDITIONS

The 2003 personal property renditions were mailed to Douglas County personal property owners on Tuesday, December 31. Any property owner who had a personal property rendition in 2002 was mailed a rendition this year. Approximately 9,100 renditions were mailed this year which included 3,700 commercial renditions and 5,400 regular renditions. The yellow renditions are for commercial property owners while the white renditions are for individuals who have personal property. Sometime during January the office will mail out the 2003 oil and gas renditions to approximately 100 property owners.

Any Douglas County resident who owns tangible personal property is required to annually file a list of the property with the county appraiser's office. The form must be signed by the owner of the property or by the person who is filling out the return on behalf of the owner. The filing deadline for personal property renditions is Monday, March 17. 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.

2002 ANNEXATIONS REPORTED

According to the mapping section a total of 11 annexations were filed in 2002 compared to 40 in 2001 and 20 annexations filed in 2000. The annexations covered 258.6 acres of land compared to 844.27 acres in 2001 and 542.3 acres in 2000. Eight (8) of the annexations in 2002 involved the City of Lawrence, two (2) were in the City of Eudora and one(1) in Baldwin City.

2003 FINAL REVIEW CONTINUES

The 2003 final review process continues on schedule. As of December 30 a total of 21,219 parcels had been reviewed and valued by the appraisal staff. This represents 60 percent of the total parcel count of 35,175. To date 62 percent or 21,027 residential/agricultural/vacant parcels have been completed while 14 percent or 192 of the commercial parcels are done.

Based on the 60 percent of the residential parcels completed at this time, residential values are projected to increase in 2003 between seven (7) to nine (9) percent on the average. Some neighborhoods in City of Lawrence, Eudora and Baldwin City could see increases in the range of nine (9) to 12 percent. At this point a total of 1,370 (6.5 percent) residential parcels will see valuation increases larger than 10 percent. What all this means is that the number of informal hearings in 2003 may exceed the 2002 number of 1,135 which was the lowest number

of appeals in the county since the beginning of the annual appraisal process.

The final review process is scheduled to be completed by January 31, 2003. Change of value notices will be mailed to property owners on Friday, February 28. Property owners will have until Monday, March 31, to schedule an informal hearing with the appraiser's office.

...POLL SAYS HOMEOWNERS EXPECT HOUSE VALUES TO INCREASE

According to a Gallup Poll conducted in November of 2002 more than six (6) in 10 homeowners (63 percent) said they expect their home will increase in value over the next year. Another 29 percent felt that home values would remain steady while only six (6) percent felt that home values would decline. Among those who say their home values will increase, the average expected increase was five (5) to nine (9) percent. More than a quarter of the homeowners polled (27 percent) expected their home values to increase more than 10 percent.

Another Gallup poll conducted in November of 2002 indicated that 70 percent of Americans today are homeowners. The poll also indicated that more than one out of four homeowners (27 percent) had refinanced their home mortgages during the last three (3) years.

MAPPING SECTION BUSY IN 2002

The year 2002 was another busy year for the mapping section. A total of 823 new parcels were mapped in 2002 compared to 1,181 in 2001, 872 in 2000, 946 in 1999 and 1,067 in 1998. The office handled 3,474 straight property transfers compared to 3,643 in 2001, 3,520 in 2000, 4,250 in 1999 and 3,496 in 1998. In 2002 there were 258 property splits, 21 property combinations and 23 split and combinations. There were also 54 new plats filed compared to 53 in 2001, 76 in 2000 and 62 in 1999. The 54 new plats accounted for 543 new parcels.

In 2002 the office's map sales totaled \$2,696 compared to \$6,275 in 2001, \$1,810 in 2000, \$2,814 in 1999, \$2,454 in 1998 and \$2,032 in 1997. Total office deposits for 2002 were \$5,269 compared to \$7,322 in 2001, \$4,042.50 in 2000; \$3,767 in 1999 and \$4,324 in 1998. Office deposits include map sales, selectabilities, copying fees and miscellaneous charges.

FINAL 2002 STATE BOARD ACTIVITY

During 2002 the county had 226 cases that were closed by the State Board of Tax Appeals. That number includes 162 cases

that were heard by the small claims division of BOTA and 64 cases heard in the regular division.

In the area of small claims there were 29 commercial cases and 133 residential cases. The results to date include 117 cases (72 percent) that received a change in value and 33 cases (20 percent) that had no change. Twelve (12) cases (8 percent) were dismissed at the request of the property owner.

In the regular division there were 42 commercial cases and 22 residential cases. Of that number, 19 cases (30 percent) received no change in value, 19 cases (30 percent) received a change in value and 26 cases (40 percent) were dismissed at the request of the property owner.

There are currently 10 residential cases in the regular division at BOTA that have had hearings conducted but are still awaiting a board decision. Six (6) cases (four commercial and two residential) have been set for hearings over the next two (2) to three (3) months and 18 cases (10 commercial and eight residential) have yet to be scheduled for a hearing by BOTA.

2002 PUP HEARINGS SCHEDULED

As of December 30 a total of 128 real estate payments under protest had been filed with the appraiser's office compared to 199 in 2001, 139 in 2000, 98 in 1999 and 65 in 1998. The 2002 number included 38 commercial and 90 residential parcels. A total of 109 of the cases are still open. The informal hearings on these cases are set for January. Nineteen (19) cases have been completed to date with six (6) cases receiving an adjustment in value, while 13 received no change in value.

A total of five (5) personal property payments under protest were filed as of December 30 compared to 14 in 2001, six (6) in 2000 and 13 in 1999. To date no personal property payments under protest hearings have been held.

MOBILE HOME VALUES UNCHANGED

The price per square foot for mobile home values for the 2003 valuation year will be unchanged. The county recently received new cost per square foot values from the Division of Property Valuation in Topeka. Values on both single wide mobile homes and double wide mobile homes will be the same as the 2001 and 2002 values. The cost new, per square foot, for single wide mobile homes will be \$29.00 and \$32.00 for double wide mobile homes.

2002 SALE INFORMATION RECAPPED

As of December 31 the appraiser's office worked 2,869 sales questionnaires compared to 2,957 in 2001, 2,835 sales questionnaires in 2000; 2,984 in 1999; 3,046 in 1998 and 2,833 in 1997. The 2,869 sales questionnaires involved 3,147 parcels.

For the month of December the office worked 263 sales questionnaires involving 295 parcels.

Included in 2002 sale numbers were 1,535 valid residential sales. This compares to 1,536 in 2001, 1,218 in 2000; 1,404 in 1999 and 1,706 in 1998. The average sale price for these sales was \$148,797 compared to \$137,600 in 2001, \$132,500 in 2000; \$125,903 in 1999; \$116,963 in 1998 and \$110,762 in 1997. This represents an increase of 8.1 percent. The average sale ratio for residential property in 2001 was 96 percent compared to 96 percent in 2001; 94 percent in 2000; 95 percent in 1999; 96 percent in 1998 and 97 percent in 1997.

The average selling price on 352 new home sales in 2002 was \$197,007 compared to \$184,930 in 2001, \$175,324 in 2000 and \$154,509 in 1999. The average sales price on new residential homes in 1998 was \$150,355. This represents an increase of 6.5 percent.

The average commercial sale ratio in 2002 was 90 percent. There were 35 valid commercial sales recorded in 2002 compared to 48 in 2001.

MILEAGE COSTS STEADY IN 2002

Mileage costs in the appraiser's office held steady in 2002. The mileage costs for the year were \$6,095 compared to \$6,082 in 2001, \$6,238 in 2000 and \$5,308 in 1999. The mileage costs in 1998 were \$4,656; \$5,339 in 1997; \$5,736 in 1996; \$7,400 in 1995; \$9,074 in 1994; \$9,724 in 1993 and \$14,944 in 1992.

MAINTENANCE COUNTS REPORTED

During 2002 members of the appraiser's office real estate staff reinspected 9,338 parcels as a part of the county's annual reinspection program. Included in those numbers were 1,538 building permit inspections and 2,143 sales verification visits. For the year the office performed 231 quality control checks.

2002 EXEMPTIONS RECAPPED

During 2002 a total of 69 exemptions were granted by the State Board of Tax Appeals for both real estate and personal property in Douglas County. A total of 43 real estate exemptions were granted involving 46 parcels. There was one (1) real estate/personal property exemption granted and 25 straight personal property exemptions. For the year eight (8) real estate exemption requests were denied by the board along with two (2) personal property requests. Five (5) exemption requests were dismissed by the property owner.

Another 17 exemption requests were filed with the board during 2002 and are currently waiting on board action. Of that number 14 are real estate exemption requests involving 16 real estate parcels. There are three (3) pending personal property requests at the board.

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FINAL REVIEW COMPLETED

The final review process for estimating 2003 values will be completed by Friday, February 7. A total of 35,322 properties will be reviewed and valued by county staff. This compares to 34,637 in 2002, 33,768 in 2001, 32,939 in 2000 and 32,077 parcels in 1999. The total number of parcels valued in 1998 was 31,838. Following is a current breakdown of the parcels by property classification:

Type	Urban	Rural	Total
Residential	22,908	3,064	25,972
Farm with home site	24	1,454	1,478
Agricultural	163	2,179	2,342
Vacant lots	2,252	816	3,068
Commercial/Industrial	1,290	112	1,402
Exempt	879	165	1,044
Not for profit	6	0	6
Other	7	3	10
Totals	27,529	7,793	35,322

Change of value notices will be mailed on Friday, February 28. The county will be using the same notice as last year which will feature the valuation method used to arrive at the fair market value for the property. Also if the sales comparison method was used to find the fair market value the list of the comparable sales used will be shown on the notice.

Typically values for residential properties in 2003 will increase between five (5) to 10 percent depending on the neighborhood. Some residential neighborhoods will see increases over 10 percent on the average. Commercial values will go up on the average five (5) to 10 percent also. Again some commercial areas will see increases in the 10 percent and above range.

The deadline to request an informal hearing will be Monday, March 31 at 5 p.m. Informal hearings are set to begin the week of March 17. The annual appraisal update will be presented to the county commission on Monday, March 3 and the market study analysis for 2003 will be published the week of February 17. This publication is required by state statutes. After the study has been published a copy of the study will be available for review in the appraiser's office.

PERSONAL PROPERTY RENDITIONS

The personal property staff has been busy in January working the 2003 personal property renditions. Approximately 9,100 renditions were mailed at the end of December. As of January 31 a total of 1,657 individual renditions and 494 commercial renditions had been returned to the appraiser's office. This represents 23 percent of the mailed renditions.

Also in January the office mailed approximately 100 oil and gas renditions. The price per barrel for oil that the county will be using to value oil renditions in 2003 has not yet been received from the Division of Property Valuation, Department of Revenue.

In a related personal property matter, watercraft purchased from January 1st to September 1st will be prorated onto the tax roll from the month purchased. This is in addition to the current state law that requires owners of watercraft that are taxable on January 1st to list the watercraft for the full tax year by March 15th or be subject to penalties. Also beginning in 2003 watercraft sold during the year will be prorated off the tax roll. Under the new law, the owner of record must report when a boat is acquired or sold with 30 days of the transaction to the county appraiser's office. The county appraiser then prorates the value for the tax year based on that date. Purchases after September 1st are not subject to any taxable value for that year.

The filing deadline for the personal property renditions is Monday, March 17 at 5 p.m.. The filing deadline for oil and gas renditions is Tuesday, April 1. Late filings are subject to a penalty as prescribed in the Kansas statutes. 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.

NO NEW 2003 AG USE VALUES YET

The Kansas Constitution requires agricultural land to be valued based on its income or productivity. The new agricultural use values for 2003 have not yet been received by the appraiser's office. The values are developed by the Division of Property Valuation of the Department of Revenue and Kansas State University.

In 2002 the average crop land values in the county increased slightly over three (3) percent. The values for pasture land and tame grass (hay land) increased on the average six (6) percent. It is expected that the increases for 2003 will be less than the 2002 increases.

Starting this month we will begin running some common questions asked about the agricultural land value process:

How is agricultural land valued in Kansas?

Valuation of agricultural land in Kansas is governed by Kansas law. The appraised value is based on the productive potential directly attributed to the natural capabilities of the land not fair market value. Cultivated land is valued using an eight year average of the landlord share of net income, with soil types used to recognize land productivity potential. For grassland an

eight year average of the landlord share of the net rental income is used. In the case of grassland, productivity is established by use of the grazing index which is assigned to each soil type. In either case the resulting eight year average landlord net income is divided by a capitalization rate to arrive at the appraised value.

What is the capitalization rate?

The capitalization rate is used to convert the landlord share of agricultural net income into agricultural value. The following three (3) components make up the capitalization rate:

1. The five year average of the Federal Land Bank interest rate on new loans in Kansas as of July 1 each year.
2. An "add on" of not less than .75% nor more than 2.75% determined by the Director of Property Valuation.
3. The county average agricultural property tax rate. This accounts for property taxes on agricultural land as an expense.

The sum of these three (3) components is the capitalization rate percentage that is divided into the landlord net income to arrive at the agricultural value. The higher the capitalization rate, the lower the agricultural value.

Why are agricultural values in some counties higher than those in surrounding counties?

Differences can be attributed to one or more of the following:

- * Crop mix (the major crops in a county).
- * Differences between landlord share of income and expense ratios.
- * Different agricultural capitalization rate.

SALES DOWN SLIGHTLY IN 2002

The number of sales in Douglas County was down slightly in 2002. The total number of sales worked in the office were 2,910 involving 3,190 parcels. This compares to 2,998 sales involving 3,450 parcels in 2001 and 2,860 sales involving 3,267 parcels in 2000. The total number of sales worked in 1999 was 2,984; 3,046 in 1998 and 2,833 in 1997.

The total number of home sales worked during the year was 1,586 which does not include sales of newly constructed homes. This compares to 1,575 in 2001, 1,218 in 2000; 1,404 in 1999 and 1,706 in 1998. This represents an increase of less than one (1) percent. The average home sale in the county increased in 2002 to \$148,300 compared to \$139,160 in 2001, \$132,500 in 2000 and \$125,900 in 1999. This represents an increase of approximately 6.6 percent. In 2002 there were 356 new homes (including homes started in 2001 and finished in 2002) which sold at an average selling price of \$197,100 compared to \$187,820 in 2001 and \$176,975 in 2000.

There were 35 valid commercial sales in 2002. The mean (average) sales ratio was 90. There were 48 valid commercial sales in 2001 with a mean sales ratio of 90.

Following is a breakdown of total valid residential sales in the county for the year 2002:

Location	2002 Number	2002 Sale Price
Lawrence	1,587	\$168,768
North Lawrence	67	\$ 96,158
Baldwin	68	\$138,511
Eudora	129	\$142,822
Lecompton	5	\$ 73,000
Rural	86	\$191,421

BUILDING CONTINUES STRONG

During 2002 the appraiser's office worked 2,254 building permits which included 2,123 residential and 131 commercial permits. That compares to 1,597 in 2001, 2,025 in 2000; 1,765 in 1999; 1,796 in 1998; 1,997 in 1997; 2,166 in 1996; 1,765 in 1995 and 2,453 in 1994.

Included in the residential building permits were 217 completed single family residences and 246 partially completed single family homes. Also included were 70 completed multi-family residences and 24 partially completed multi-family residences. Following is a breakdown of the new houses:

Location	Single Family	
	Complete	Partial
Baldwin	19	24
Eudora	33	31
Lecompton	1	0
North Lawrence	8	29
Lawrence	136	109
Rural	20	53
Total	217	246

... LAWRENCE BUILDING PERMITS

It was another active year for building in the City of Lawrence. According to figures released by the city building department the total number of permits issued in 2002 was 3,086. The value assigned to the permits was \$141,596,618 and the total fees collected was \$642,737.50. Included in the permits issued were 304 for single family residences, 119 duplex units, two (2) triplexes and 12 apartments. The total number of commercial permits issued was 37. The remainder of the permits were for such things as remodeling, signs, electric, etc.

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CHANGE OF VALUE NOTICES

The 2003 change of value notices were mailed to Douglas County real property owners on Friday, March 7. This is a week later than normal and the delay was caused mainly by the fact that the Property Valuation Division in Topeka was a week late in mailing the 2003 agricultural use valuations to the county. Property owners wanting to appeal their value have until Monday, April 7 at 5 p.m. to request an informal hearing with the appraiser's office. Again this year persons wanting to appeal will need to fill out the appeal request form on the back of the change of value notice. Informal hearings will begin the week of March 24. All the hearings this year will be held in the basement of the county courthouse at 1100 Massachusetts. The number of informal hearings held in 2002 was 1,135 compared to 1,872 in 2001; 1,607 in 2000; 1,417 in 1999; 1,882 in 1998; 1,560 in 1997; 1,770 in 1996 and 3,400 in 1995.

OVERALL VALUATION SUMMARY

The 2003 preliminary valuation for real estate shows an increase over the 2002 total. The total real estate assessed valuation for 2003 as of February 28 was approximately \$759,414,610 compared to \$693,011,825 in 2002. This represents an increase of \$66,402,785 or approximately 9.6 percent. The assessed value in 2001 was \$644,097,660; \$585,509,265 in 2000; \$530,113,055 in 1999; \$499,009,715 in 1998; \$451,600,00 in 1997 and \$409,500,000 in 1996.

Based on past experience the county can expect to see this valuation drop approximately one percent during the informal and formal hearing processes. The informal hearing process are the hearings held with staff members from the county appraiser's office. The formal hearing process includes the hearings that are filed with the State Board of Tax Appeals in Topeka.

New construction accounted for approximately 3.6 percent of the valuation increase in 2003. The new construction total as of January 1, 2003 was \$25,134,615 compared to \$19,296,640 in 2002; \$20,526,670 in 2001; \$20,086,350 in 2000; \$18,451,625 in 1999; \$20,229,500 in 1998; and \$15,140,695 in 1997.

PERSONAL PROPERTY DEADLINE

The deadline to file 2003 personal property renditions is Monday, March 17 at 5 p.m. Oil and gas renditions must be filed by Tuesday, April 1 at 5 p.m.. To date approximately 3,454 or 38 percent of the 9,100 renditions mailed by the county have been returned to the appraiser's office. The

number of returned renditions is running slightly ahead of this date a year ago. At the end of February in 2002 approximately 30 percent of the renditions had been returned to the office.

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.

2003 SALE INFORMATION REPORTED

The appraiser's office has already begun tracking the new 2003 sales in the county. The number of sales questionnaires worked by the sales department since January 1 is 338 which involve 374 parcels. This number is up from 2002 when 264 sale questionnaires involving 300 parcels were worked during the same time frame.

During the first two (2) months of 2003 the sales department has worked 117 valid residential sales. The average sale price for the residential sales was \$153,800 compared to \$148,800 in 2002; \$139,160 in 2001 and \$132,500 in 2000. The average selling price for 1999 was \$125,900. The current average sales ratio for residential property is 100 percent.

The average selling price on 11 new home sales so far in 2003 is \$211,994 compared to \$203,615 in 2002; \$187,820 in 2001 and \$176,975 in 2000. The average selling price for 1999 was \$154,288 compared to \$150,355 in 1998.

On the commercial side there have been nine (9) valid sales worked during the first two (2) months of the year. The current sales ratio on the nine (9) sales is 98 percent.

2003 RESIDENTIAL VALUES

The appraiser's office recently developed a report showing the breakdown of residential house values in the county by value range. The county currently has 25,991 properties with residential dwellings. Following is a breakdown of the residential values in dollar increments along with the percent that number represents of the total. The final column is the percent of the properties that were in those value breakdowns in 2002.

Value \$ range	Number	2003% of total	2002 % of total
0 to 39,999	186	0.7	1.7
40,000 to 59,999	770	3.0	4.3
60,000 to 79,999	1,780	6.9	9.2
80,000 to 99,999	3,186	12.3	15.0
100,000 to 119,999	3,995	15.4	16.6

120,000 to 149,999	5,913	22.4	20.7
150,000 to 199,999	5,136	19.8	17.1
200,000 to 299,999	3,554	13.7	11.1
300,000 to 399,999	879	3.4	2.7
400,000 to 499,999	257	1.0	0.8
500,000 to 699,999	256	1.0	0.5
700,000 to 999,999	64	0.2	0.2
1,000,000 and up	15	0.1	0.1

<i>House style</i>	<i>Count</i>	<i>Median value</i>
Bi-level	1,187	\$140,200
Bungalow	956	93,700
Colonial	12	343,650
Condominium	512	71,000
Conventional	5,694	193,900
Converted House	484	130,335
Earth Contact	170	150,200
Earth Shelter	2	120,900
Modern	123	222,600
Modular	296	109,650
Old Style	3,372	91,150
Other	212	63,040
Ranch	7,838	123,300
Ranchett	706	74,340
Split level	1,144	153,780
Townhouse	3,302	119,800
Traditional	50	241,250
Victorian	20	323,200
Walkout basement	1,394	172,100

SINGLE FAMILY VS MULTI-FAMILY

According to numbers compiled by members of the appraiser’s office approximately eight (8) percent of the residential properties in the county are multi-family units. A multi-family unit is one that has more than one living unit. Following is a breakdown of the residential properties:

<i>Location</i>	<i>Single Family</i>	<i>Multi-Family</i>
Baldwin	977	63
Eudora	1,323	109
Lecompton	182	3
North Lawrence	823	11
Lawrence	16,227	1,801
Rural	4,444	8
Total	23,976	1,995

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 2003 valuation year is \$133,00 compared to \$121,000 in 2002; \$117,500 in 2001 and \$105,720 in 2000. The median market value for all residential parcels in the City of Lawrence in 2003 is \$133,600 compared to \$127,000 in 2002 and \$119,740 in 2001. The median market value for residential properties in the following school districts:

<i>School district</i>	<i>Median market value</i>
U.S.D. 497 (Lawrence)	\$135,000
U.S.D. 491 (Eudora)	\$119,700
U.S.D. 348 (Baldwin)	\$133,355
U.S.D. 343 (Lecompton)	\$130,600

<i>Cities</i>	<i>Median market value</i>
Baldwin	\$121,050
Eudora	\$115,700
Lecompton	\$ 82,500
Lawrence	\$133,600
Rural	\$153,120

The study also looked at the median market value for residential property by style of house. The most common house style is a ranch style (7,838) followed by a conventional style (5,694) and old styles (3,372). Following are the results of the study:

NEW AG USE VALUES RECEIVED

The Kansas Constitution requires agricultural land to be valued based on its income or productivity. The new agricultural use values for 2003 were received by the appraisers’s office in February. The values were developed by the Division of Property Valuation of the Department of Revenue and Kansas State University. On the average crop land values in the county have decreased between one (1) to three (3) percent in 2003. The values for pasture land and tame grass (hay) are up on the average one (1) to three (3) percent.

KANSAS LEGISLATIVE HIGHLIGHTS

Activity in the Kansas Legislature so far in 2003 involving appraisal issues has been fairly light. Following are some of the appraisal related bills that have been introduced:

Senate Bill 115: Reduces the size of the State Board of Tax Appeals from five members to three members. **Passed out of committee, now on the Senate floor.**

Senate Bill 161: Eliminates property tax exemption for certain elderly housing. **Still in the Senate Assessment/Tax committee.**

House Bill 2255: Increases in fair market value can not include changes from annual maintenance visits. **Still in House Taxation committee.**

House Bill 2265: Limits the annual increase in property values. **Still in House Taxation committee.**

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2002 PRELIMINARY SALES RATIO NUMBERS RELEASED BY THE STATE

The Division of Property Valuation, Department of Revenue, in March released the 2002 preliminary sales ratio study. The final report will be released in July or August of this year. The sales ratio study is an annual analysis of the relationship between appraised values established by the appraiser's office and the property's sale price.

According to the report Douglas County's median ratio for residential property in 2002 was 97 percent with a COD of 4.9. A total of 345 sales were used in the study. The 2001 median ratio was 97.2 with a COD of 5.5. The 2000 median ratio was 96.9 with a COD of 6.1. The 1999 median ratio for residential property was 95.1 with a COD of 6.3. The 1998 median ratio was 96.3 with a COD of 6.1. The 1997 median ratio was 97.3 percent with a COD of 5.7 and the 1996 median ratio was 96 percent with a COD of 6.4.

The median ratio is the middle ratio after all the ratios are arrayed in order from the lowest to the highest. The statistic measures the appraisal level in the county. The appraisal level is an indication of how close the county's values are to the fair market value or the 100 percent level (the sale price). State statutes require that the county's appraisal level be between 90 and 110.

The COD (coefficient of dispersion) measures the amount of variation in the county valuations around the appraisal level (median). The smaller the COD the less variation in the ratios about the median ratio, which translates into better equity in the county values. State statutes require that the county's COD be less than 20 for all classes of property.

The PRD (price-related differential) for residential property in 2002 was 1.00. The PRD measures the vertical equity or the relationship of low-value and high value properties. A PRD of more than 1.00 suggests that high value properties are under-appraised compared to low value properties and a PRD of less than 1.00 suggests that high value properties are over appraised compared to low value properties.

The 2002 median ratio for commercial property was 96.2 with a COD of 10.1. A total of 23 sales were used in the commercial study. The 2001 commercial median ratio was 88.6 with a COD of 16.9 compared to 100.3 with a COD of 13.9 in 2000. The 1999 commercial median ratio was 95.9 with a COD of 12.1. The 1998 median ratio was 90.8 with a COD of 17.6. The PRD for commercial property in 2002 was .98.

REAL ESTATE ASSESSED VALUES REPORTED BY PROPERTY CLASS

The total assessed value of real estate in Douglas County has increased by 87 percent since 1996. The real estate assessed value in 1996 was \$407,182,890 compared to \$759,491,950 in 2003. The 2003 total is not final as of this date and represents the value as of the date the county mailed change of value notices. This value typically will decline approximately one (1) percent during the hearing process. Following is a breakdown of the real estate values by property class (does not include other and not-for-profit totals which are reflected in total assessed value):

<i>Year</i>	<i>Agricultural</i>	<i>Residential/Urban</i>
1996	\$10,596,900	\$231,352,975
1997	\$10,719,790	\$252,057,725
1998	\$11,146,095	\$275,318,245
1999	\$11,535,300	\$299,410,640
2000	\$12,192,340	\$333,450,750
2001	\$13,524,925	\$370,817,350
2002	\$14,126,940	\$401,591,680
2003	\$14,156,440	\$442,299,450
% difference		
1996-2003	+34%	+91%

<i>Year</i>	<i>Residential/Rural</i>	<i>Com./Industrial</i>
1996	\$31,343,010	\$111,009,990
1997	\$34,492,670	\$122,437,105
1998	\$38,057,545	\$135,522,555
1999	\$41,632,525	\$145,335,810
2000	\$46,115,445	\$159,721,245
2001	\$51,244,115	\$176,995,905
2002	\$55,453,135	\$187,306,305
2003	\$60,668,060	\$201,927,700
% difference		
1996-2003	+94%	+82%

<i>Year</i>	<i>Farmstead</i>	<i>Vacant</i>
1996	\$11,942,905	\$10,645,960
1997	\$12,966,425	\$11,528,530
1998	\$13,865,880	\$12,359,540
1999	\$14,930,325	\$13,393,255
2000	\$16,461,220	\$13,908,480
2001	\$17,998,840	\$17,061,705
2002	\$20,075,575	\$17,849,730
2003	\$21,754,390	\$18,003,635
% difference		
1996-2003	+82%	+69%

CITY/TOWNSHIP VALUATION DATA

Following is the current breakdown of the real estate assessed valuation by cities and townships for 2003. The final numbers will not be available until after the values are certified to the County Clerk in June.

Location	2003	2002	% Diff.
Cities:			
Baldwin	\$ 20,986,080	\$ 18,313,130	+ 14.6
Eudora	\$ 25,397,125	\$ 22,267,690	+ 14.1
Lawrence	\$605,898,310	\$552,729,545	+ 9.6
Lecompton	\$ 2,080,490	\$ 1,934,290	+ 7.5
Townships:			
Clinton	\$ 5,697,530	\$ 5,025,285	+ 13.4
Eudora	\$10,909,075	\$10,110,405	+ 7.9
Grant	\$ 5,739,770	\$ 5,413,990	+ 6.0
Kanwaka	\$14,031,735	\$12,842,725	+ 9.3
Lecompton	\$ 7,924,965	\$ 7,265,780	+ 9.1
Marion	\$ 7,765,380	\$ 7,402,535	+ 4.9
Palmyra	\$19,658,185	\$18,195,275	+ 8.0
Wakarusa	\$21,174,815	\$19,410,290	+ 9.1
Willow Springs	\$12,228,490	\$11,248,820	+ 8.7
Total:	\$759,491,950	\$692,159,760	+ 9.7

New construction county wide accounts for \$25,134,615 of the 2003 amount which is 3.6 percent of the total increase. The remaining 6.1 percent of the increase is due to market appreciation. More specifically, in Baldwin City new construction amounted to 5.2 percent of the 14.6 percent increase in value. In Eudora new construction amounted to 7.2 percent of the total 14.1 percent increase in value. In the City of Lawrence, new construction totaled 3.7 percent of the total 9.6 percent increase in value.

INFORMAL HEARINGS UNDERWAY

Informal hearings began on Monday, March 24. A total of 62 informal hearings have been held and decisions made as of Friday, March 28. A total of 33 hearings or 53 percent have received an adjustment in value. A total of 29 hearings or 47 percent have received no change in value. The last day to request an informal hearing is Monday, April 7. As of Friday, March 28 approximately 482 hearings were scheduled. The breakdown included 31 commercial hearings and 451 residential hearings. The total hearings in 2002 were 1,135. The total hearings in 2001 were 1,872. In 2000 there were 1,607 informal hearings compared to 1,417 in 1999 and 1,874 in 1998. In 1997 there were 1,552 hearings with 1,694 in 1996 and 3,400 in 1995.

PERSONAL PROPERTY RENDITIONS

As of March 28, approximately 2,800 commercial renditions had been returned to the appraiser's office. Staff estimates that approximately 837 commercial renditions have not yet been returned. A total of 3,500 regular renditions have been

returned with approximately 1,855 yet to be returned. Approximately 145 businesses have received a filing extension until April 15. Twenty-eight (28) oil and gas renditions have been filed with approximately 30 yet to be filed. The filing deadline for oil and gas renditions is April 1 at 5 p.m. For those properties that file late a five (5) percent penalty per month will be assessed with a maximum penalty of 25 percent. The penalty for failing to file a personal property rendition is 50 percent.

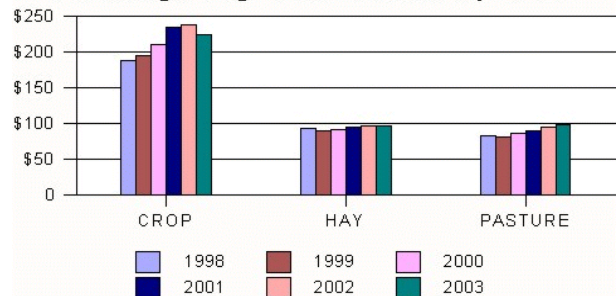
The personal property valuation notices will be mailed on Wednesday, April 30. Approximately 7,200 notices will be mailed. Property owners have until Thursday, May 15 at 5 p.m. to request an informal hearing with the appraiser's office personal property section.

AG USE VALUES CHARTED

This year marks the first year since 1998 that the per acre cropland values in the county have declined on the average. Both pasture land and hay ground per acre values remained steady. Following is a graph showing the agricultural use values in these categories since 1998:

KANSAS LEGISLATIVE HIGHLIGHTS

Average Ag Use Value by Use



Activity in the Kansas Legislature so far in 2003 involving appraisal issues still remains light. Following are some of the appraisal related bills that have been introduced:

Senate Bill 115: Reduces the size of the State Board of Tax Appeals from five members to three members. **Passed out of the Senate (40-0) and referred to the House Appropriations Committee.**

Senate Bill 161: Eliminates property tax exemption for certain elderly housing. **Passed out of the Senate (27-12) and referred to House Tax Committee.**

Appraisal Newsletter

May 1, 2003

Volume 8, Number 8

PERSONAL PROPERTY NOTICES

The 2003 personal property change of value notices were mailed Wednesday, April 30. A total of 6,694 notices were mailed. Property owners have until 5 p.m. on Thursday, May 15th to request an informal hearing with a member of the personal property section. A total of 11 personal property informal hearings were held in 2002 compared to nine (9) personal property informal hearings held in 2001, 12 in 2000 and 21 in 1999.

The preliminary assessed value for personal property is an estimated \$63,285,362 compared to \$67,635,290 in 2002, \$68,685,098 in 2001 and \$73,274,170 on this same date in 2000. This value does not include the penalty amount for the late filing of personal property renditions. This represents a decline of approximately 6.5 percent in assessed value. The main reason for the decline in 2003 is three-fold. First, the closing of the Farmland facility during 2001 has resulted in assessed value decline in 2003 of over \$2.4 million. Secondly, the Kansas Legislature in 2002 passed legislation that increased the commercial equipment exemption from \$250 to \$400. This legislation caused a drop in just over \$1 million in assessed value.

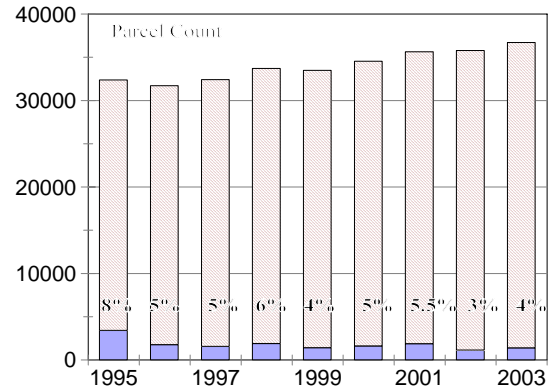
Finally, the number of renditions not returned has increased this year. The total personal property assessed value for 2003 should increase as the staff works the failure to file renditions and those renditions that were granted filing extensions. As of April 30 there were approximately 2,451 personal property owners who have not filed their 2003 renditions compared to 2,126 in 2002 and 2,151 for the same time period in 2001.

The total personal property assessed value in 2002 was \$72,584,594, excluding the penalty value, compared to \$75,317,115 in 2001 and \$74,553,774 in 2000. The total assessed value for personal property in 1999 at this time was \$66,259,774. The assessed value in 1998 was \$62,457,747 and in 1997 it was \$55,063,325.

INFORMAL HEARINGS ENDING

The final day for informal real estate hearings will be Friday, May 9th. A total of 1,383 informal hearings have been scheduled which represents approximately 3.9 percent of the county's total parcel count. This number includes 235 commercial properties and 1,148 residential/agricultural properties. The 2003 hearing total is up 22 percent from the 2002 total of 1,135. Following is a graph showing a breakdown of hearings compared to total parcels since 1995:

Following is a breakdown by area of the 2003 informal hearing



count:

Commercial:

Area	Total Parcels	Hearings	Percent
Baldwin	125	9	7.2%
Eudora	100	6	6.0%
Lecompton	8	1	12.5%
North Lawrence	166	4	2.4%
Lawrence	1,548	211	13.6%
Rural	111	4	3.6%
Total	2,058	235	11.4%

Residential:

Area	Total Parcels	Hearings	Percent
Baldwin	1,303	72	5.5%
Eudora	1,840	55	3.0%
Lecompton	267	1	0.4%
North Lawrence	1,052	16	1.5%
Lawrence	20,986	814	3.9%
Rural	7,851	190	2.4%
Total	33,299	1,148	3.4%

Through Monday, April 28th, a total of 813 informal hearing cases had been closed by members of the appraisal staff. Included in that number were 31 hearings (4 percent) where the property owner failed to show. Of the hearings held 414 or 51 percent had received a change in value while 368 or 45 percent had received no change in value.

The assessed valuation as of April 28 stands at \$755,219,823 compared to \$759,414,610 on February 28th, the date the change of value notices were mailed. So far during hearings the value has declined \$4,194,787 or less than one (1) percent. The overall assessed value on real estate is up approximately eight (9) percent from the 2002 total of \$693,011,825. The

2001 total assessed value was \$644,067,060 and \$585,509,265 in 2000.

To date a total of 12 cases involving 2003 informal hearings have been filed with the small claims division of the State Board of Tax Appeals.

2003 MAINTENANCE SET TO BEGIN

With the informal hearing season wrapping up, members of the appraisal staff will return to the field in May to start the 2003 maintenance. The staff will be rechecking the data on approximately 6,500 parcels which will include an estimated 6,100 residential/agricultural parcels and 400 commercial parcels. Under this program each individual property will have to be revisited and re-measured once every six (6) years.

Residential maintenance areas this year will include areas in the cities of Lawrence, Baldwin and Eudora. Rural maintenance will include parts of Wakarusa, Palmyra, Eudora and Willow Springs Townships. The commercial maintenance areas for this year will include the City of Eudora and parts of the City of Lawrence.

FLEX TIME RETURNS THIS MONTH

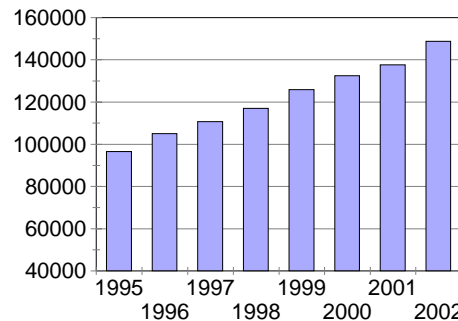
Beginning on May 26th several members of the appraiser's office will be working a flex hour schedule. The flex hours will run through the end of September. Some of the staff will be working four, ten hour days per week while others will be working from 7 a.m. to 4 p.m. five days a week. This will be the eighth year that the office has used a flex schedule during the summer. The office will continue to be open from 8 a.m. to 5 p.m. daily.

2003 SALES CONTINUE UPWARD

To date in 2003 a total of 759 sales questionnaires involving 838 parcels have been worked by the appraiser's sales department. During the first four (4) months of 2002 the office worked 692 sales questionnaires involving 788 parcels.

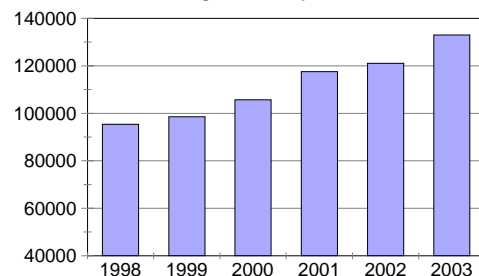
To date in 2003 the sales department has worked 361 valid residential sales. The average sale price for the residential sales was \$156,840 compared to \$148,800 in 2002, \$139,160 in 2001 and \$132,500 in 2000. This represents a increase of 5.4 percent. The current average sales ratio for residential property is 99 percent compared to a 2002 sales ratio of 97, a 2001 sales ratio of 96 percent, 94 percent in 2000 and 95 percent in 1999. Following is a graph of average sale price since 1995.

Average Sale Price Single Family Residential



In conjunction with the average sale price rise over recent years the median residential values in the county have also increased at basically the same rate. Following is a graph showing the median residential value since 1998:

Median Residential Value Single Family



So far in 2003 the county has worked 44 new home sales. The current average selling price for these new homes is \$184,230 compared to \$197,100 in 2002, \$187,820 in 2001, \$176,975 in 2000 and \$154,288 in 1999.

AG USE LETTERS TO BE MAILED

Agricultural land property owners in parts of Lecompton, Eudora, Wakarusa, Clinton and Palmyra Townships will be receiving information in May from the appraiser's office requesting help in identifying the agricultural use on their property. The information being mailed includes a letter explaining the purpose of the request along with a map showing a breakdown of the current agricultural use information on file in the appraiser's office. The property owners are being asked to return the information to the office within two weeks from the day they receive it. Approximately 930 questionnaires will be mailed.

FLEX TIME RETURNS THIS MONTH

Beginning on May 13th several members of the appraiser's staff will be working a flex hour schedule. The flex hours will run through September. Some of the staff will be working four, ten hour days per week while others will be working from 7 a.m. to 4 p.m. five days a week. This will be the seventh year that the appraiser's office has used a flex schedule during the summer. The office will continue to be open from 8 a.m. to 5 p.m. daily.

The total amount of map sales during the first four months of the year is \$1,165.00.

2002 STATE BOARD ACTIVITY

So far in 2002 a total of 32 regular cases (not small claims) from Douglas County have been closed by the State Board of Tax Appeals. Of that number 15 were commercial which included six (6) stipulated values and nine (9) dismissals requested by the property owner. Six (6) commercial cases have had a hearing and are waiting a decision by the board. In addition five (5) cases have been scheduled and 17 cases are yet to be scheduled.

On the residential side of the 17 cases completed, two (2) were dismissed, 13 received a no change in value and two (2) parcels received a value adjustment. Two cases have been heard and are waiting a decision by the board. Three (3) cases have not been set for hearing as of this date.

A total of 177 payment under protests for the tax year 2001 were filed with the county. That number included 36 commercial appeals and 141 residential appeals. The total payment under protests filed in 2000 were 139 and 98 in 1999.

All of the 2001 payment under protest hearings have been completed except for one (1) residential hearing. On the residential side, 69 hearings (49 percent) received a valuation change, while 58 hearings (42 percent) received no change in value. There were 11 (8 percent) no show hearings and two (one percent) hearings were cancelled at the request of the property owner.

On the commercial side 14 hearings (39 percent) received a value adjustment and 20 hearings (56 percent) received no change in value. Two hearings (5 percent) were cancelled by the property owner.

MAPPING ACTIVITY REPORTED

To date in 2002 the mapping section has worked 20 new plats which have accounted for 208 new parcels. The staff has also worked 94 divisions and seven (7) parcels that involved a division and a combination. The total number of new parcels added so far in 2002 is 309. A total of 1,181 new parcels were added in 2001. To date in 2002 the mapping staff has worked 928 straight property transfers.

Appraisal Newsletter

June 1, 2003

Volume 7, Number 9

KANSAS LEGISLATIVE SUMMARY

Following is a summary of the legislative bills passed by the Kansas Legislature in 2003 that will have an impact on or are of interest to the appraisers office:

House Bill 2205: The bill prohibits specials from being added back into vacant land sales to determine fair market value. It also extended to the property tax years 2003 and 2004 the 20 mill mandatory school district general fund property tax levy and exemption of \$20,000 for residential property. Finally the bill reduced the size of the State Board of Tax Appeals from five to three members, effective January 15, 2003. Votes of at least two board members will be necessary to take action. Also BOTA can now charge and collect filing fees through the establishment of rules and regulations. No filing fees can be charged on residential property and the bill limits the fee to \$10 for not-for-profit or those properties with a valuation not more than \$100,000.

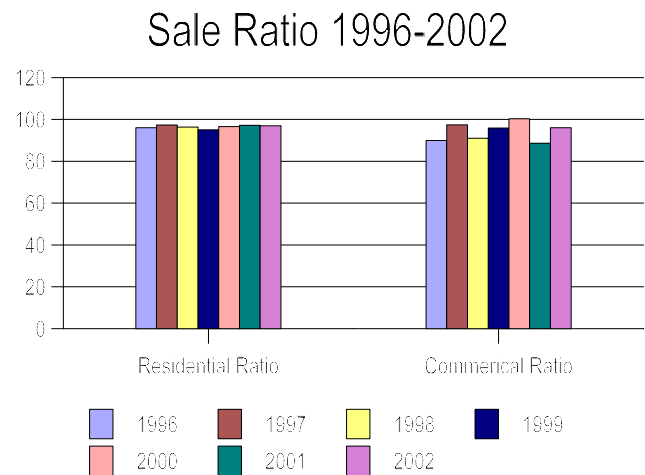
House Bill 2464: This bill allows the governor to implement accelerated tax payments. It would, upon a special determination by the governor in August or September of 2003 as to the state's fiscal condition, accelerate the payment date for the second half of the prior year's property taxes from June 20 to May 10, beginning in 2004. Also contingent upon that determination, the bill would change a number of statutory dates related to that policy decision, including various property tax receipt distribution dates; motor vehicle receipt distribution dates; dates relating to when county treasurers are required to mail delinquency notices and dates relating to computation of interest on delinquent taxes.

2002 SALES RATIO STUDY RESULTS

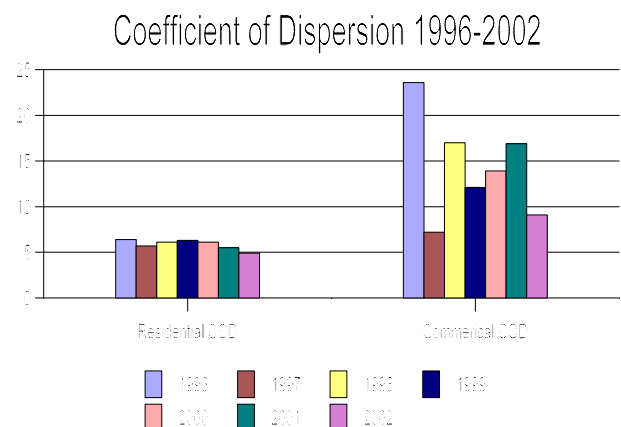
The 2002 official real estate appraisal sales ratio study was released during May by the Division of Property Valuation, Department of Revenue in Topeka. Again this year Douglas County is in compliance in all categories. A sales ratio compares the county's appraised value on property to its actual sale price. The sales ratio is calculated by dividing the appraised value by the sale price. The goal is a ratio of 100 percent. To be in compliance a county's median sales ratio has to fall between 90 and 110 and the COD needs to be less than 20.

The median sale ratio is the middle ratio after all the ratios are arrayed in order from the lowest to the highest. This statistic measures the appraisal level in the county. The COD (coefficient of dispersion) measures the amount of variation in the county's valuations or appraisal uniformity.

Douglas County's 2002 median sales ratio for residential property was 97 percent with a COD of 4.9. A total of 345 valid sales were used in the study. The 2001 sales ratio in the county for residential property was 97.2 with a COD of 5.5. Below is a graph of the residential and commercial median ratios since 1996:



The 2002 sales ratio in Douglas County for commercial property was 96.2 with a COD of 9.1. A total of 23 sales were used in the study. This compares to a commercial ratio of 88.6 and a COD of 16.9 in 2001. Below is a graph of the residential and commercial CODs since 1996:



The county's overall sales ratio, for all types of properties was 96.4 percent with a COD of 7.1. This compares to an overall ratio of 94.7 and 9.4 in 2001, 94.5 and 8.4 in 2000 and 93.9 and 8.8 in 1999.

PERSONAL PROPERTY HEARINGS

The deadline to request an informal hearing for personal property values was Thursday, May 15. A total of 12 informal hearings were scheduled compared to 11 in 2002, nine (9) in 2001, 12 in 2000, 21 in 1999 and seven (7) in 1998. The informal hearings are scheduled for Tuesday, June 3. A total of 6,839 notices were mailed to personal property owners.

The preliminary 2003 assessed value for personal property is an estimated \$69,103,080 excluding penalties for late filings compared to \$72,892,745 in 2002, \$74,629,970 in 2001, \$74,553,744 in 2000, \$70,452,807 in 1999, \$62,457,747 in 1998 and \$55,063,325 in 1997. This represents a decrease of 5 percent at this time. The office will still be picking up some failure to file renditions between now and the time personal property values are certified to the County Clerk on Monday, June 9.

The 2003 penalty value to date is \$1,750,635 compared to \$1,948,870 in 2002, \$2,854,615 in 2001, \$2,129,935 in 2000 and \$1,540,645 in 1999. The penalty value is assessed to property owners who file their personal property renditions after the filing deadline or fail to file at all. As of this newsletter there are approximately 2,300 property owners who filed a rendition in 2002 and failed to file this year. The personal property staff will be sending letters to these property owners in June and July.

Again this year the personal property section will be conducting audits on selected personal property renditions during June, July and August. This will be the eighth year that the office has conducted these audits which are required by the Division of Property Valuation, Department of Revenue. Last year the office conducted 137 audits which resulted in a market value increase of \$373,505 and an assessed value increase of \$93,380. The amount of additional tax dollars that was raised through the audits in 2002 was \$9,778.20, \$7,582 in 2001, \$7,482 in 2000, \$7,009 in 1999 and \$3,788 in 1998.

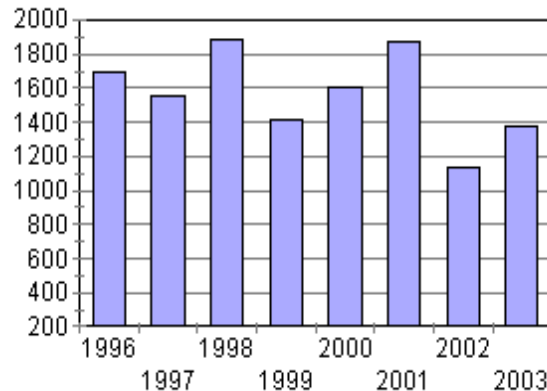
REAL ESTATE INFORMAL HEARINGS

The final day for informal real estate hearings was Monday, May 12. A total of 1,376 informal hearings were held which represents approximately 3.9 percent of the county's total parcel count. This number included 233 commercial properties and 1,143 residential/agricultural properties. The 2003 hearing total is 21 percent higher than the 2002 total of 1,135. The following graph shows the hearing levels since 1996.

In the commercial area a total of 104 hearings or 45 percent received a change in value, while 124 hearings or 53 percent received no change in value and there were five or two percent no shows. On the residential/agricultural side 549 hearings or 48 percent received a change in value, while 556 hearings or

49 percent received no change in value and there were 38 or three percent no show residential hearings.

Informal Hearings



The assessed valuation as of May 27 stands at \$751,156,023 compared to \$759,414,610 as of February 28, the date the change of value notices were mailed. The value declined \$8,258,587 or slightly more than one percent as a result of the informal hearing process and State Board of Tax Appeals orders. The overall assessed value on real estate is up approximately 8.4 percent from the 2002 total of \$693,011,825. The 2001 total was \$644,097,060 and the 2000 total was \$585,509,265. The 2003 real estate value will be certified to the county clerk on Monday, June 9.

New construction for 2003 totaled \$25,134,615 in assessed value compared to \$19,296,640 in 2001, \$20,526,670 in 2001, \$20,086,350 in 2000 and \$18,451,625 in 1999. The new construction value represented 3.3 percent of the 2003 value increase. This means the increase for market appreciation in 2003 was 5.1 percent (8.4 percent minus 3.3 percent).

2003 STATE BOARD ACTIVITY

To date a total of 53 small claim cases for the year 2003 have been filed with the State Board of Tax Appeals. Eleven hearings have been held and are waiting a decision from the board. Another 15 cases are scheduled with 27 yet to be scheduled. There were 28, 2002 small claims cases filed. Two of the cases were settled by a stipulation, two received a reduction in value and 24 have had a hearing and are currently waiting a decision by the board.

STAFF KUDOS ... A JOB WELL DONE

I just wanted to tell you what a pleasure it is working with the appraisal staff, especially Sharon Dominick. Every time I call and need something she is so helpful and friendly. It makes my job so much easier...she really went out of her way to get what I needed. – Alica Janesko, Lawrence Chamber

Appraisal Newsletter

July 1, 2003

Volume 7, Number 10

VALUATION NUMBERS REPORTED

The appraiser's office certified both the 2003 real estate and personal property values to the County Clerk on Monday, June 9. The county's total 2003 assessed value, including state assessed property, is \$896,601,365 compared to \$837,677,700 in 2002; \$794,278,091 in 2001; \$733,191,536 in 2000, \$670,785,835 in 1999 and \$618,334,943 in 1998. This represents an increase of approximately 7 percent which is up from the 5.5 percent in 2002. In 2001 there was an 8.3 percent increase and a 9.3 percent increase in 2000. Following is a breakdown of the numbers at certification compared to the same time frame in 2002:

Category	2003 value	2002 value	%Diff.
Real Estate	\$750,862,530	\$693,679,995	+ 8.2%
Personal Property	\$ 70,302,795	\$ 71,606,220	- 1.8%
State assessed	<u>\$ 75,436,040</u>	<u>\$ 72,391,485</u>	<u>+4.2%</u>
Total	\$896,601,365	\$837,677,700	+ 7.0%

The bulk of the county's 2003 value is found in the urban areas. Of the total assessed value for 2003, 81 percent is located in the cities with the city of Lawrence representing 75 percent of the total assessed value. The percentage was the same in 2002. In 2001, 80 percent was located in the cities with the city of Lawrence representing 75 percent of the total assessed value. In 2000 the breakdown was 80 and 74 percent. Following is a breakdown of the total assessed value numbers by areas within the county:

Area	2003 value	2002 value	%diff.
Lawrence	\$674,353,182	\$629,033,427	+ 7.2%
Baldwin City	\$ 22,153,022	\$ 19,943,016	+11.1%
Eudora	\$ 28,087,756	\$ 25,158,927	+11.6%
Lecompton	\$ 2,634,364	\$ 2,510,520	+ 4.9%
Rural	<u>\$169,373,041</u>	<u>\$161,031,810</u>	<u>+ 5.2%</u>
Total	\$896,601,365	\$837,677,700	+ 7.0%

2003 MAINTENANCE UNDERWAY

The 2003 maintenance program is underway. As of June 29, a total of 3,533 parcels had been reviewed by the appraisal staff. This number also includes building permits and sales that have been worked this year. Approximately 5,500 parcels will be inspected this year.

2003 SALES INFORMATION UPDATED

During June a total of 362 sales questionnaires involving 384 parcels were worked by the appraiser's office. This compares to 331 questionnaires involving 343 parcels in June of 2002. For 2003, through the end of June the office has worked 1,448 questionnaires involving 1,560 parcels compared to 1,376

questionnaires for the same time period in 2002. The number of parcels worked for this time frame in 2002 was 1,569.

During the first six (6) months of 2003 the office has worked 770 valid residential sales. The average sale price for the residential sales is \$156,900 compared to \$148,800 in 2002, \$139,160 in 2001 and \$132,500 in 2000. This represents an increase of approximately 5.4 percent. The current average sales ratio is 98 percent.

To date the staff has worked 139 new home sales. The average sales price of the new homes is \$181,650 compared to \$197,100 in 2002, \$187,820 in 2001 and \$176,975 in 2000. On the commercial side there have been 14 valid sales and the average sales ratio is 93 percent.

AG USE LETTERS RETURNED

Property owners in parts of Lecompton, Eudora, Wakarusa, Clinton and Palmyra townships have been returning agricultural letters to the appraiser's office. As of the last week in June a total 136 questionnaires had been returned. Approximately 937 agricultural use letters were mailed. The return rate currently stands at 15 percent.

Staff has begun working the mailers and to date 58 had required some type of mapping change and five will require a field check. A total of 73 questionnaires required no changes. The mailers are sent to approximately one-fourth of the rural property owners each year. The purpose of the mailer is to verify the county's current agricultural use information.

EXEMPT PROPERTY SUMMARY

The total number of exempt real estate properties in Douglas County currently stands at 1,081 or approximately three (3) percent of the total county parcels. The total amount of exempt market value is \$1,108,433,105 which represents about 20 percent of the county's total real estate market value. The breakdown of the exempt value is land, \$371,929,795 and improvements, \$736,503,310.

PERSONAL PROPERTY ACTIVITY

The personal property staff is continuing to work on this year's failure to file renditions. A total of 2,300 renditions were not filed by the filing deadline. The staff prepares a rendition based off last year's information and mails it to the property owner for their review. To date a total of 395 failure to file notices have been mailed. Of that number 300 have been returned by the property owner. The remaining 1,905 failure to file notices will be mailed out in July.

The penalty value for late filing of personal property renditions in 2003 now stands at \$2,239,025 compared to \$1,525,070 in 2002 and \$2,347,335 in 2001. The late filing penalty in 2000 was \$1,713,555.

Staff will mail out letters to personal property owners as part of the annual audit of selected personal property renditions. This year is the eighth year that these audits have been conducted. The audits are required by the Division of Property Valuation, Department of Revenue.

2003 STATE BOARD ACTIVITY

To date in 2003 there have been 122 cases filed with the small claims division of the State Board of Tax Appeals. These appeals are of the informal hearings held in the spring. A total of 42 small claims hearings have been held. Of that number the small claims hearing officer has rendered a decision on ten cases. Seven of the cases received no change in value and three appeals received a value reduction. Twenty-five other cases have been scheduled for hearing in July and the remaining cases(55) have yet to be scheduled.

As a result of the 2002 payment under protest process a total of 28 cases were filed with the small claims division. Of that number 17 received a value reduction, 10 received value reductions as the result of a stipulation and one case was a no change in value.

In the regular division there have been 10 cases filed in 2003. That includes nine residential cases and one commercial case. None of these cases have been scheduled for hearing at this point.

2003 MAPPING ACTIVITY REPORTED

To date in 2003 the mapping section has worked 21 new plats which have accounted for 233 new lots. Two preliminary plats have also been reviewed by the staff which will add another 300 new residential building lots. It is expected that these plats will be finalized sometime in the fall.

The staff has also worked 123 divisions, 12 combinations and seven parcels that involved both a division and a combination. The total number of new parcels added so far in 2003 is 356. A total of 823 new parcels were added in 2002 and 1,181 in 2001. To date in 2003 the mapping staff has worked 1,651 straight property transfers.

The total amount of map sales during the first six months of the year is \$1,470. The office has also collected \$74 from the sale of selectabilities and \$465 in miscellaneous income (copies, faxes, etc.).

I&E QUESTIONNAIRES MAILED

The commercial department during June mailed out 381 income and expense questionnaires. Of that number, 37 were sent to apartment owners and 344 to all other types of commercial properties. The information gathered from the questionnaires will be used to develop the county's income and expense models to be used in the 2004 valuation process.

During July the commercial staff will be gathering information on newly constructed commercial properties. This information will be used to develop the commercial cost index for 2004. The cost index is a factor used to adjust the county's cost tables to account for current building costs in the market.

REPORT ON 2002 COUNTY ECONOMY

Following are some facts about the performance of the Lawrence/Douglas County economy pulled from a 2002 economic analysis report conducted by the University of Kansas.

- The 2002 economy of Lawrence and Douglas County saw growth primarily in number of people not in money.
- State sales tax increased 2.1 percent in 2002. Total receipts for the year were \$52,518,135.
- The annual guest tax collections in Lawrence stood at \$458,860 which was an increase of three percent from 2001.
- The total number of hotel rooms in 2002 increased by 69 rooms from 2001, to a total of 1,188.
- The convention and visitor's bureau estimates that 1,046,883 visitors came to Lawrence last year, spending a total of over \$35 million on the local economy.
- The total population of Douglas County in 2002 was estimated at 102,316, an increase of 17,196 residents since 1992 (20 percent) and 1,154 (1 percent) since 2001.
- The employment growth rate in 2002 was up two percent for the year compared to a one percent growth in 2001. Total employment in Douglas County was 54,642 in 2002, an increase of 8,729 jobs since 1992.
- The unemployment rate in 2002 was at 4.8 percent compared to 4.4 percent in 2001.
- In 2002 the number of single family homes constructed in Lawrence was 299.
- The number of duplex construction permits in 2002 was 118, the third highest annual total on record.
- The value of new commercial construction in Douglas County in 2002 was \$28.5 million.
- There were 4,400 commercial electric meters recorded in Lawrence in 2002, a three percent increase from the previous year.

Appraisal Newsletter

August 1, 2003

Volume 7, Number 11

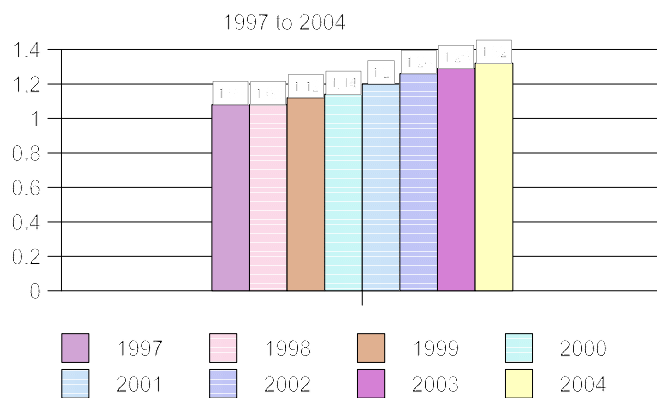
2004 COST INDEXES ESTABLISHED

Staff has completed the cost index studies for both residential and commercial properties that will be used in the 2004 valuation process. The residential cost index is used to adjust the county's cost tables to reflect current market activity. Information used to develop the cost index was newly constructed residential structures that had sold during 2002 and 2003. The index was developed by comparing the CAMA generated cost of the structure to the value of the structure derived from the market sale.

To derive the value of the structure from the sale of the property the county used a method called abstraction. In this method the land value and other building value is subtracted from the sale price and what is left is the value of the structure. That value is then compared to the value of the structure generated from the CAMA cost system. The percentage difference is considered to be the market adjustment or the cost index.

The residential cost index for 2004 will be 1.32 compared to 1.29 in 2003, 1.26 in 2002, 1.20 in 2001, 1.14 in 2000 and 1.12 in 1999. This represents an increase of 2.3 percent. The cost index in both 1998 and 1997 was 1.08. Following is a graph of the county's residential cost indexes since 1997:

Residential Cost Indexes

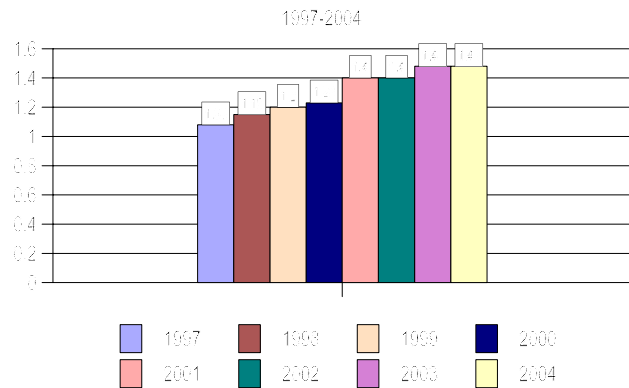


The commercial cost index was developed using data from commercial properties that were built in either 2002 or 2003. The commercial properties have not sold. The index was developed by comparing the county's CAMA value to the actual cost of the structure which was provided by the owner. The commercial cost index for 2004 will be 1.48 which is the same as the 2003 cost index. The cost index in 2002 and

2001 was 1.40. The commercial index in 2000 was 1.23 and 1.20 in 1999.

Staff has also been working on the residential depreciation study for 2004. As of this newsletter, the residential depreciation tables for the 2004 valuation year will be adjusted slightly. The commercial depreciation tables will be unchanged.

Commercial Cost Index



Other annual studies currently being finalized by the appraisal staff are the land valuation tables, gross rent multiplier study, and residential market rent study. The neighborhood analysis study for 2003 was also completed in June. A copy of all of these studies will be available in the appraiser's office when they are completed.

...RESIDENTIAL TIME TREND STUDY

Another study being conducted by staff is the residential time trend study. The study is done by comparing the sale prices of a residential property that has sold twice since the year 2000. For example, if a property sold in March of 2000 for \$230,000 and again in January of 2003 for \$264,000, the time trend would be calculated as follows:

$$\begin{aligned} \$264,000 / \$230,000 &= 1.147826 \text{ or an increase of } .1478\% \\ \text{Time between the two sale dates} &= 34 \text{ months.} \\ \text{Monthly time trend} &= .1478 / 34 \text{ or } .0043 \\ \text{Annual time trend} &= .0043 \times 12 \text{ or } 5.2\% \end{aligned}$$

For 2004, time trends have been developed for each residential neighborhood and will be used to adjust sales in the residential modeling process. The typical time trend adjustments in 2004 will range from four (4) to eight (8) percent.

2003 SALES CONTINUE STRONG

During July a total of 396 sales questionnaires involving 451 parcels were worked by the appraiser's sales staff. That compares to 337 sales questionnaires in July of 2002 involving 350 parcels. For the year the office has worked 1,870 questionnaires involving 2,053 parcels compared to 1,713 questionnaires and 1,922 parcels for the same time period in 2002.

At the end of July the appraiser's staff had reviewed 1,019 valid residential sales. The average sale price for the residential sales is \$157,835 compared to \$148,800 in 2002, \$139,160 in 2001, \$132,500 in 2000, \$125,903 in 1999 and \$116,963 in 1998. This represents an increase of 6.1 percent. The average sale price in 1997 was \$110,700; 1996, \$105,000 and \$96,500 in 1995. The current average sales ratio for residential property in 2003 is 97 percent compared to a sales ratio in 2002 of 97 percent, 97 percent in 2001, 94 percent in 2000 and 95 percent in 1999. The sales ratio in 1998 was 96 percent and 97 percent in 1997.

The average selling price on 201 new home sales so far in 2003 is \$181,845 compared to \$197,100 in 2002, \$188,527 in 2001, \$176,975 in 2000 and \$154,288 in 1999. This represents a decrease of approximately eight percent. The average selling price of a new home in 1998 was \$150,355.

On the commercial side a total of 18 sales have been recorded as valid open market transactions. The average sales ratio for the commercial sales thru the end of July is 93 compared to 96 in 2002, 89 percent in 2001, 97 percent in 2000 and 91 percent in both 1999 and 1998.

AG USE LETTERS RETURNED

Property owners in parts of Lecompton, Eudora, Wakarusa, Clinton and Palmyra Townships have been returning agricultural use mailers to the appraiser's office. As of July 28 a total of 183 questionnaires had been received by the appraiser's office. Approximately 940 agricultural use questionnaires were mailed. The return rate currently stands at approximately 19.5 percent.

Staff has begun working the mailers and to date 86 had required some type of mapping change. A total of 97 questionnaires required no changes. The mailers are sent to approximately one-fourth of the rural property owners each year. The purpose of the mailer is to verify the county's current agricultural use information.

CORRECTION TO INTEREST RATES

The Department of Revenue, Division of Property Valuation in Topeka issued in July a correction to the property tax interest rates for the calendar year 2003. These rates determine the amount of interest that counties must pay on certain types of

property tax refunds. The corrected rates are as follows (the previous rates are in parenthesis):

Payment under protest and equalization appeals - 5% (4%)
Tax grievance/clerical errors ordered by BOTA - 5% (4%)
Clerical error refunds ordered by the county - 7% (6%)
Taxpayer's late payment of taxes interest rate - 9% (8%)

PERSONAL PROPERTY AUDITS BEGIN

Members of the personal property staff have started conducting audits on several personal property accounts. This year the staff requested information from those personal property accounts that have not been audited in previous years. Approximately 150 businesses will be mailed audit information. As of the end of July a total of 63 audit requests had been mailed and 21 companies had responded to the request for information. To date the audits have resulted in an increase of \$67,810 in market value and \$16,950 in assessed value. This equates to an increase in actual tax dollars of \$1,774.90 (16,950 x .104714 - the current mill levy).

In other personal property activity the staff has mailed out all the failure to file renditions. A total of 2,300 renditions were not filed by the filing deadline. Of that number 794 or 34.5 percent have been returned and filed with the office.

PROPERTY TAX ACCELERATOR

The Kansas Legislature during the 2003 legislative session adopted legislation that provides for the acceleration of property tax payments in 2004. The legislation authorizes the Governor to move up the property tax payment schedule. An email received in July from the Department of Revenue in Topeka indicates that the Governor will authorize the accelerated payments. The notice of implementation from the state is expected to be received by the counties in mid August. It appears as though the second half property tax payment will be moved from June 20, 2004 to May 10, 2004.

STAFF KUDOS ... A JOB WELL DONE

"I am an appraiser from the Kansas City area and I would like to take this opportunity to commend you and your staff for help that has been given me over the years when I have occasion to come to Lawrence for an appraisal. Your staff has always been helpful and professional. One in particular, Malinda Grier, has been most helpful. She has always been friendly and professional and has saved me a lot of time in my endeavors in your city. If all your staff is as personable and professional as she is, then you are to be commended on the fine staff you have put together." - Phil Dhyne, Dennis C. Keithley & Associates.

Appraisal Newsletter

September 1, 2003

Volume 8, Number 12

COUNTY IN COMPLIANCE FOR 2003

The appraiser's office was notified in August by the Division of Property Valuation in Topeka that the office has been determined to be in substantial compliance for the year 2003. PVD conducted the statistical and procedural compliance review during the first six (6) months of 2003.

The compliance review consists of two parts. The first part is the state sales ratio study that is conducted annually by PVD. As noted in a previous newsletter the county was in compliance in this area for both residential and commercial property. The county's residential COD was 4.9. The county's commercial COD was 9.01. To be in compliance both the residential and commercial COD must be under 20. The median ratio for residential sales was 97percent and 96 percent for commercial sales.

The second part is the procedural review which is designed to see if the county's appraisal procedures follow state guidelines and PVD directives. Items that are reviewed include:

- The county's maintenance plan.
- The county's sales file.
- Land valuation procedures.
- Cost index analysis.
- Depreciation documentation.
- Income approach data.
- Comparable sales approach procedures.
- Maintenance and quality control numbers.
- Final review process.
- Agricultural use valuation.
- Mapping procedures.
- Statutory compliance.
- Hearing procedures.
- Personal property.
- Certification of values to the county clerk.
- Preservation of county records.

JULY SETS SALES RECORD

The month of July was a record setting month in the sales department. For the month a total of 435 sales questionnaires were filed. The previous record for July was in 1998 when 421 sales questionnaires were handled. In comparison during July of 2002 the office worked 329 sales questionnaires.

.... MORE 2003 SALES INFORMATION

During August a total of 357 sales questionnaires involving 375 parcels were worked by the appraiser's office. For the year the office has worked 2,227 questionnaires involving 2,420 parcels.

At the end of August the appraiser's staff had reviewed 1,213 valid residential sales. The average sale price for the residential sales is \$157,778 compared to \$148,800 in 2002, \$137,600 in 2001, \$132,500 in 2000, \$125,900 in 1999 and \$116,963 in 1998. This represents an increase of 6.0 percent. The current average sales ratio for residential property in 2003 is 98 percent compared to a sales ratio in 2002 of 97percent, 97 percent in 2001, 94 percent in 2000 and 95 percent in 1999.

The average selling price on 263 new home sales so far in 2003 is \$182,090 compared to \$197,100 in 2002, \$188,527 in 2001, \$176,975 in 2000 and \$154,288 in 1999. This represents a decrease of approximately eight percent.

On the commercial side a total of 22 valid sales have been recorded. The average sales ratio for the commercial sales is 90 percent compared to 96 percent in 2002, 89 percent in 2001, 97 percent in 2000 and 91 percent in 1999.

PERSONAL PROPERTY AUDITS

Members of the personal property staff have been busy the past couple of months conducting audits on several personal property accounts. This year the staff requested information from businesses that had not been audited in recent years. A total of 128 requests for information were mailed. Of that number 50 businesses have returned the requested information while 78 have not responded to date.

Forty-two accounts have been audited to date. The appraised (market) value has increased \$185,165 while the assessed value has gone up \$48,790. This equates to approximately \$5,108.99 (\$48,790 x .104714) in actual tax dollars. This compares to \$9,788.20 in 2002, \$7,545 in 2001, \$7,482 in 2000, \$7,009 in 1999, \$3,790 collected during the audit session in 1998 and \$8,400 collected in 1997. The first year the county conducted the audits, 1996, a total of \$44,215 in actual tax dollars was collected.

PERSONAL PROPERTY PENALTIES

The penalty value, to date, for late filing of personal property renditions in 2003 is \$1,648,695 compared to \$1,560,280 in 2002, \$2,401,370 for the same time in 2001 and \$1,589,215 in 2000. A penalty percentage is assessed against any personal property renditions that are filed after the statutory deadlines. The penalties are prescribed in state statutes. The penalty value in 1999 was \$1,886,490.

To date, the total personal property assessed value for 2003 is \$71,305,550 compared to \$72,288,724 at this same time in

2001 and \$74,508,179 in 2000. This represents a decrease of \$983,174 or approximately 1.4 percent.

The personal property staff to date has mailed 2,300 failure to file notices. Of that number a total of 984 have been returned to the office or 43 percent.

PERSONAL PROPERTY CANVASS

Again this year members of the personal property staff during September and October will be conducting a field canvass of businesses in the county. The areas to be field reviewed this year will be Wakarusa Drive, Clinton Parkway, Iowa Street, Kasold, 23rd Street and 6th Street all in the City of Lawrence.

The objectives of the field canvass are:

- look for new businesses not currently on personal property rolls.
- visit with new businesses and hand out an information booklet.
- visit with non-filers.

PARCEL COUNT CONTINUES UPWARD

The county's parcel count as of the middle of August stands at 35,870 compared to 34,975 this time a year ago and 34,360 in 2001. Of that number 78 percent (27,895 parcels) are located in urban areas while 22 percent (7,975 parcels) are in the rural area. A total of 26,173 parcels or 73 percent of the total are classified as residential parcels.

Following is a breakdown of the current parcels in the county:

Type	Urban	Rural	Total
Residential	23,082	3,091	26,173
Farm with home site	23	1,459	1,482
Agricultural	212	2,002	2,214
Vacant lots	2,476	804	3,280
Commercial/Industrial	1,341	290	1,631
Exempt	724	306	1,030
Not-for-profit	8	0	8
Utility	22	19	41
Other	7	4	11
Total	27,895	7,975	35,870

CURRENT VALUATION BREAKDOWN

As of August 28, 2003 the county's current real estate valuation stands at \$750,662,580 compared to \$693,225,160 at this same time in 2002, \$644,097,060 in 2001 and \$585,509,265 in 2000. This represents an increase of 8.3 percent. When looking at the real estate value the largest component is residential value.

Residential value makes up 68 percent of the county's total real estate value. Across the state residential value comprises approximately 60 percent of the total real estate value. Commercial values comprised approximately 28 percent of the county's total real estate value. Statewide the percentage is 20 percent.

UPDATE ON 2003 BOTA ACTIVITY

Thru the end of August there have been a total of 144 cases filed from Douglas County with the State Board of Tax Appeals in Topeka. That number includes 123 cases filed with the small claims division and 21 cases filed with the regular division.

In the small claims division to date 91 cases have had a hearing. Thirty two cases have not been scheduled. Of the closed cases nine were dismissed at the request of the property owner and eight were settled by a stipulation between the county and the property owner. Sixty two cases have received a no change in value while 12 cases received a reduction in value. To date only six of the small claims cases have been appealed onto the regular division of the Board of Tax Appeals. All of those appeals were made by the property owner.

In the regular division six residential hearings have been held but no decisions have been handed down by the board. Three residential cases are waiting a hearing date. On the commercial side there are 12 cases, none of which have been set for a hearing.

....Appraisal Notes

Following are some general comments about activities in the appraisal office this past month:

** As of the end of August only 201 out of 937 agricultural use letters mailed to rural land owners had been returned to the county appraiser's office. That represents only 21.5 percent. The mailers are used to verify agricultural use in the county.

**Flex time in the appraisal office ended at the end of August. Staff is now back on their regular 8 a.m. to 5 p.m. schedule.

**To date in 2003 the appraisal staff has field reviewed 5,255 parcels as part of the county's annual maintenance. The county has to physically review all the parcels in the county every six years. The current reinspection cycle runs from 2000 through 2005. In 2002 the staff physically visited 9,338 parcels.

STORIE PASSES CASE STUDY, EXAM

Jeff Storie, Appraiser II, recently passed the IAAO's RES case study and the RES master exam. He has one remaining four hour USPAP course to take in order to receive his Residential Evaluation Specialist (RES) designation from the International Association of Assessing Officers.

Appraisal Newsletter

October 1, 2003

Volume 8, Number 1

NEWSLETTER STARTS 8TH YEAR

With this issue the county appraiser's *Appraisal Newsletter* is beginning its 8th year of publication. The newsletter is designed to keep the county commission, administration, staff and the public informed on what is taking place in the Douglas County Appraiser's office.

2003 MID-YEAR RATIO STUDY

The Douglas County Appraiser's Office recently received the 2003 mid-year ratio study from the Division of Property Valuation, Department of Revenue in Topeka. For residential property the mid-year median ratio was 99.2 compared to 99.1 in 2002, 98.7 in 2001 and 98.8 in 2000. The coefficient of dispersion (COD) for residential property was 3.2 compared to 2.6 at this same time in 2002. A total of 172 valid residential sales were used in the study. The final 2003 ratio study will be issued by the state next Spring.

The sales ratio study is an analysis of the relationship between appraised value (market value) established by the appraiser's office on January 1 of each year and the property's sale price. The COD measures the amount of variation in the county's valuations. The smaller the COD means there is less variation about the median which means there is more equity in the values.

To be in statistical compliance for the state the county's median ratio for residential and commercial property must fall between 90 and 110. The COD for both types of properties must be below 20.

On the commercial side the 2003 mid-year sales ratio is 98.6 compared to 94.7 in 2002 at this same time. The commercial mid-year sales ratio in 2001 was 90 and 102.2 in 2000. The COD in 2003 is 2.1 compared to 6.8 in 2002, 11.4 in 2001 and 13.2 in 2000. A total of nine sales were used in the mid-year commercial study.

STORIE RECEIVES RES DESIGNATION

Jeff Storie, Appraiser II, has completed all his requirements for the International Association of Assessing Officers' Residential Evaluator Specialist (RES) designation and has been awarded the RES designation by the IAAO. Storie also holds the Register Mass Appraiser (RMA) from the State of Kansas.

Storie is the third member of the appraisal staff to obtain a professional designation from the IAAO. Dennis Albers, GIS Administrator, holds a Cadastral Mapping Specialist (CMS) designation and Marion Johnson, County Appraiser, holds a Certified Assessment Evaluator (CAE) designation. Three

other staff members hold the RMA designation. They are Sharon Domink, Appraisal Manager I; Steve Miles, Appraisal Manager I and Troy Palmer, Appraiser II.

SBOTA FILING FEES NOW IN EFFECT

Effective September 1 some property owners filing appeals and exemption requests to the regular division of the State Board of Tax Appeals will be required to pay a filing fee. The Kansas Legislature in the 2003 legislative session provided that BOTA shall begin charging and collecting filing fees on certain types of cases. The fees were established by the board and approved by the State Rules and Regulations Board in August of this year. There are no filing fees, at this time, for appeals filed with the small claims division of BOTA.

For exemptions, grievances and mortgage registration protests that are filed with the counties and then forwarded to BOTA, the applicable date is the date filed with the county not the date filed with the board. The fee must accompany the filing or be received by BOTA within seven business days of the date the appeal or application was filed. Failure to pay the fee will result in the appeal or application being dismissed.

Some types of properties are exempt from the fees, such as: properties owned by governmental entities and school districts, single family residential properties, farmsteads, agricultural land and personal property mobile homes. Also exempt are clerical error refund requests and homestead property tax refunds.

To date the office has had three or four filings that have required a fee. All of them have been personal property items. Following is a list of some of the fees:

Exemptions:

IRBX/EDX	\$250
Not-for-profit (less than \$100,000 in value)	\$ 10
All other exemptions	\$ 50

Grievances:

Penalty abatements	\$ 15
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Equalization/Protests:

\$250,000 or less in value	\$ 50
Greater than \$250,000 and up to \$1,000,000	\$ 75
Greater than \$1,000,000	\$125
Personal Property	\$ 15

2ND HALF TAX DATE MOVED

The county received official word in August that the Governor had officially implemented the provisions of House Bill 2397 which moves forward the date for payment of the second half taxes. Effective July 1, 2003 second half property tax payments are due on May 10 instead of June 20. The date change is permanent and subject to change only by enactment of new legislation. Other notable changes from the bill include:

- * Beginning on October 1, 2003, a state tax of .6 mill is levied for the state general fund for the 2003 tax year only. It is discontinued in 2004.
- * Beginning on October 1, 2003 a state tax of .6 mill is levied for the Kansas educational building fund for the 2003 tax year only. It reverts to one mill in 2004.
- * Beginning on October 1, 2003 a state tax of .3 mill is levied for the state institutions building fund for the 2003 tax levy year. It reverts to .5 mill in 2004.

SUMMARY OF COMMERCIAL TYPES

Staff recently completed a study of the different types of commercial structures in the county. A total of 2,487 different structure types were inventoried. The largest single group of commercial structure types was apartments at 566 or 23 percent. Other notable types include:

Type	Number	Percent
Warehouses	382	15%
Downtown row type	280	11%
Retail	232	9%
Office buildings	237	9%
Manufacturing	96	4%
Mini Warehouse	95	4%
Auto Service	85	3%

UPDATE ON INTEREST ON REFUNDS

So far in 2003 the county has paid out approximately \$3,700 in interest on property tax refunds compared to \$11,165.09 for this same time period in 2002, \$4,977.89 in 2001 and \$1,760 in 2000. That compares to the 1999 total of \$2,059.12. In 1998, the first year the county had to pay interest on refunds a total of \$10,007.88 was paid out.

The Kansas Legislature in 1997 adopted legislation that requires counties to pay interest on certain types of property tax refunds. The refunds are paid from the county general fund. The interest rate paid on refunds is established by the State of Kansas.

This month the county received the new interest rates for next year. In 2004 the interest rate that the county will pay on these refunds is:

Payment under protest and equalization appeals - 4%

Tax grievance/clerical errors ordered by BOTA - 4%
Clerical error refunds ordered by the county - 6%

The interest rate that taxpayers will be charged for late payment of taxes will be 8 percent in 2004.

EXISTING HOME SALES UP IN 2003

In the September newsletter we noted that the number of sale questionnaires handled in the appraiser's office in July was a record. Along that same line the National Association of Realtors recently released information that stated that sales of previously owned homes soared to 6.12 million in July, which was a record month. The previous record was 5.94 million set in December of 2002 and January of 2003. July's sales of previously owned homes was almost 14 percent above the 5.38 million pace logged a year ago.

The national median existing home price was \$182,000 in July compared to \$175,000 in June of this year and \$162,400 in July of 2002. The median sale price in Douglas County in July was \$158,000.

KSCAMA VENDOR SELECTED

The process of getting a new CAMA system for the State of Kansas took a step forward this past month with the selection of Cole-Layer-Trumble (CLT) out of Dayton, Ohio as the statewide vendor. CLT is the current CAMA vendor in the state and was selected from a group of three finalists.

CLT is supposed to have the software program ready to deliver to the state by the end of this year and installation in the beta counties will begin in the early part of 2004. Douglas County, originally not one of the beta counties, has been included in the initial group to test the product because the county wants to be off the mainframe by the end of 2005. The new software program will be a browser based system and will operate off servers and desktop "pcs" not the mainframe.

2003 MAPPING ACTIVITY UPDATE

To date in 2003 the mapping section has worked 29 new plats which have accounted for 342 new parcels. These numbers are down somewhat from a year ago at this time when the office had worked 50 new plats involving 468 new parcels. Activity should pick up through the remainder of the year, however, as there are at least four new plats that are ready to be finalized. These plats contain approximately 500 parcels.

The mapping staff has worked 215 divisions, 19 combinations and 15 division/combinations. This activity along with the new plats has led to 577 new parcels being created so far this year. The total number of straight ownership transfers worked to date is 2,844 compared to 2,585 at this time a year ago.

Appraisal Newsletter

November 1, 2003

Volume 9, Number 2

FINAL REVIEW PROCESS BEGINS

The final review process to establish values as of January 1, 2004 begins this month. Five (5) staff appraisers will be working on the residential and agricultural properties. One (1) staff member will begin the final review process on the commercial properties. The final review process is scheduled to be completed by January 31, 2004. The purpose of the final review process is to establish the fair market value for each real estate parcel in the county.

The county has 35,853 parcels that will have to be reviewed and valued. In 2003, the county had 35,175 parcels to review. The breakdown of parcels includes:

Type	Urban	Rural	Total
Residential	23,371	3, 110	26,481
Farm with home site	22	1,471	1,493
Agricultural	210	2,173	2,383
Vacant lots	2,122	843	2,965
Commercial/Industrial	1,308	120	1,428
Exempt	744	302	1,046
Not-for-profit	6	0	6
Other	6	4	10
Utility	33	8	41
Total	27,822	8,031	35,853

New market values will be mailed to all Douglas County property owners by March 1, 2004. The projected average valuation increase for 2004 is between four (4) and six (6) percent for both residential and commercial properties.

2003 SALES DATA REPORTED

Thru October 25th the appraiser's office worked 227 sale questionnaires involving 238 parcels compared to 249 questionnaires in October of 2002. To date in 2003 the office has worked 2,724 sale questionnaires involving 2,956 parcels compared to 2,436 questionnaires and 2,676 parcels for the same time period in 2002.

Included in the totals were 1,456 valid residential sales. The average sale price for the residential sales is \$159,200 compared to \$ 148,800 in 2002, \$137,600 in 2001, \$132,500 in 2000; \$125,900 in 1999 and \$116,963 in 1998. This represents an increase of seven (7) percent. The average sale price for residential property in 1997 was \$110,700; \$105,000 in 1996 and \$96,500 in 1995.

The current average sales ratio is 96 percent which is the same as 2002. The sales ratio was 97 in 2001 and 94 percent in 2000. The sales ratio in 1999 was 95 percent and 96 percent in 1998.

The average selling price on 324 newly constructed homes so far in 2003 is \$188,200 compared to \$197,000 in 2002, \$184,930 in 2001, \$173,800 in 2000 and \$145,355 in 1999. The average sale price on new residential homes in 1998 was \$150,355.

On the commercial side a total of 30 sales have been recorded as valid open market transactions. The average sales ratio for these 30 commercial sales is 89 percent. This compares to a commercial sales ratio of 96 in 2002, 89 percent in 2001, 96 percent in 2000 and 91 percent in both 1999 and 1998.

2003 MILL LEVIES ESTABLISHED

Following is a list of some of the mill levies for 2003. The individual mill levies are used to establish the individual tax bills. The formula is: mill levy x the assessed value = taxes.

	2003	2002	2001	2000
Lawrence:				
Tax unit 041:	107.102	104.714	109.454	101.506
Tax unit 048:	108.017	105.666	110.407	102.501
Tax unit 051:	109.062	106.713	111.631	103.735
Tax unit 054:	108.741	106.348	111.248	103.602
Eudora:				
Tax unit 020:	115.745	116.096	109.089	105.339
Baldwin:				
Tax unit 001:	125.584	128.058	125.534	129.713
Lecompton:				
Tax unit 080:	97.610	98.180	98.331	87.731

2003 EFFECTIVE TAX RATES SET

The effective tax rates for 2003 have been established by the appraiser's office. 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 some commercial properties and some residential income producing properties.

The effective tax rate expresses the relationship between the property value and the tax bill. For example, if the effective tax rate is three (3) percent the taxes on an individual property would be three 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 classification rate (25 percent) by the mill levy for each taxing district.

The 2003 effective tax rates to be used in the 2004 valuation process have changed slightly in most areas of the county. Following is a list of the effective tax rates that will be used in the 2004 valuation process:

Tax Unit	Commercial		Residential	
	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>
001 (Baldwin)	3.20	3.14	1.47	1.44
020 (Eudora)	2.90	2.89	1.34	1.33
041 (Lawrence)	2.62	2.68	1.20	1.23
048 (North Lawrence)	2.64	2.70	1.22	1.24
051 (Lawrence)	2.67	2.73	1.23	1.25
054 (Lawrence)	2.66	2.72	1.22	1.25
080 (Lecompton)	2.45	2.44	1.13	1.12

\$20,000 RESIDENTIAL EXEMPTION

The 2003 tax bills are scheduled to be mailed in mid November. Again this year residential property owners in Douglas County will receive a tax exemption from the statewide school tax on the first \$20,000 of market value on residential property. The total tax dollar amount of the exemption in Douglas County for the year 2003 is \$1,263,035 compared to \$1,240,265 in 2002, \$1,206,740 in 2001, \$1,178,674.70 in 2000 and \$1,143,426.70 in 1999.

The total amount of assessed value affected in 2003 is \$63,151,790 compared to \$62,013,275 in 2002, \$60,337,035 in 2001, \$58,933,735 in 2000 and \$57,171,335 in 1999. The total number of residential parcels receiving the exemption in 2003 is 27,506 compared to 27,048 in 2002, 26,324 in 2001, 25,732 in 2000 and 25,011 in 1999. This represents an increase of 458 residential properties.

The maximum tax reduction for any one property in 2003 will be \$46.00. The tax savings is calculated as follows: \$20,000 (market value) x .115 (classification rate) = \$2,300 (assessed value) x .020 (statewide school mill levy) = \$46.00 (tax reduction).

FINAL ASSESSED VALUE NUMBERS

The final real estate assessed value numbers used in the 2003 tax roll show an increase of approximately 8.2 percent over the 2002 numbers. The final assessed value for 2003 \$750,079,245 compared to \$693,286,545 in 2002, \$644,097,060 in 2001 and \$585,509,265 in 2000. The final tax roll amount is down slightly from the 2003 certified amount of \$750,862,530 as of June 9.

PENALTY TAX DOLLARS

Each year a late filing penalty is assessed against personal property owners who fail to file their personal property renditions by the deadlines established in the Kansas statutes. The amount of the penalty is specified in the statutes based on how late the rendition is filed with the appraiser's office. For

the year 2003 the late filing penalty is \$1,613,585 in assessed value which amounts to approximately \$172,820 in actual dollars. That compares to a late filing penalty in 2002 of \$1,525,070 in assessed value and approximately \$159,000 in actual taxes. In 2001 the late filing penalty was \$2,347,335 in assessed value and \$256,925 in tax dollars. That compares to a 2000 penalty amount of \$1,713,555 in assessed value or \$172,998 in actual tax dollars. In 1999 the late filing penalty amounted to \$156,577 in actual tax dollars.

The total personal property value for 2003 stands at \$72,431,425 with penalties included and \$70,817,840 without penalties. Some of the penalty value will be removed from the tax role by the State Board of Tax Appeals as property owners appeal the late filing fee.

PERSONAL PROPERTY AUDITS

The personal property audit process is winding down for 2003. To date 102 business owners have filed audit information to the appraiser's office. A total of 140 requests for information were mailed. The audits have resulted in an increase of \$624,415 in personal property market value and \$156,105 in assessed value. This equates to \$16,719.15 in actual tax dollars.

2004 MAINTENANCE PLAN OKAYED

The county appraiser's office received word this month from the Division of Property Valuation of the Department of Revenue in Topeka that the county's annual appraisal maintenance plan for the calendar year 2004 has been approved. The plan is what will be followed to establish property values for the 2005 valuation cycle.

KUDOS FOR APPRAISAL STAFF

"Just wanted to convey a note of thanks for the prompt response to my request for information. I sent a fax late yesterday to the attention of Sharon Dominik requesting several ICS prints. I thought she probably wouldn't have an opportunity to see the fax until today, and I hope she might be able to send me the requested information sometime in the next several days. Imagine my surprise, and delight, when the requested information arrived on our fax machine only a few minutes after we transmitted our request! What a great job! Please convey my appreciation." Steve Brown, Franklin County Appraiser.

MORE INFORMATION ON NEW CAMA

The contract with CLT for the new CAMA system has been signed. Currently staff in the appraiser's office is beginning the process of preparing the commercial data for conversion to the new system. This will require field visits to all the commercial parcels.

Appraisal Newsletter

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2003 SALE DATA CONTINUES STRONG

During the month of November the appraiser's office worked 264 sale questionnaires involving 330 parcels. That number compares to only 171 questionnaires in November 2002 involving 174 parcels. The number of sales questionnaires worked to date in 2003 is 2,988 compared to 2,606 for the same time period in 2002. The total number of parcels worked so far in 2003 stands at 3,286.

The average sale price in 2003 for residential property is \$160,660 compared to \$148,800 in 2002, \$137,600 in 2001, \$132,500 in 2000 and \$125,903 in 1999. This represents an increase of 8.0 percent. The average sale price in 1998 was \$116,963; 1997, \$110,700; 1996, \$105,000 and 1995, 96,500.

The current average sales ratio for residential property is 96 compared to 97 percent in 2002 and 2001 and 94 percent in 2000. The average sales ratio in 1999 was 95 percent and in 1998 the sales ratio was 96 percent. The 1997 sales ratio was 97 percent. Since July 1 of this year the average sales ratio is 94 percent.

The average selling price on 363 new home sales so far in 2003 is \$188,835 compared to \$197,100 in 2002 and \$184,930 in 2001. The average sales price on new residential homes in 2000 was \$175,324. The average sale price on new homes in 1999 was \$154,509; \$150,355 in 1998; \$140,600 in 1997 and \$133,191 in 1996. Since July 1 the average sale price for new residential homes is \$192,745.

On the commercial side a total of 32 sales have been recorded as valid open market transactions. The average sales ratio for these commercial sales is 90 percent. This compares to 96 percent in 2002, 89 percent in 2001, 97 percent in 2000, 91 percent in 1999 and 1998, 97 percent in 1997 and 90 percent in 1996.

.....BUILDING /CONSTRUCTION NEWS

Through October of 2003 the City of Lawrence has issued a total of 2,217 building permits compared to 2,651 for the same time frame in 2002 and 2,842 in 2001. The busiest month to date was July with 283 permits issued followed by August with 251 and May with 248. The month with the smallest number of permits issued was October with 180 followed by February with 182.

There have been 264 building permits issued for single family residences through the end of October followed by 67 permits for duplex units. In 2002 there were 257 and 90 permits, respectively, issued through October. Permits had been issued for two (2) triplex units and seven apartment complexes that

contained 71 living units. A total of 28 commercial building permits had been issued compared to 29 in 2002 and 44 in 2001. Also issued were 245 remodeling permits along with a variety of permits for such things as electrical, plumbing, signage, mechanical and miscellaneous construction/repairs.

FINAL REVIEW PROCESS UNDERWAY

The final review process for establishing 2004 property values began in November. To date, a total of 4,885 residential parcels have been final reviewed, which is 15 percent of the total residential and agricultural parcel count of 33,000. No commercial parcels have been final reviewed at this date. The final review process is scheduled to be completed by January 31 of 2004. Change of value notices will be mailed to all county property owners by March 1, 2004.

CURRENT VALUATION BREAKDOWN

As of the end of November the current county real estate valuation for 2003 stands at \$750,059,960 compared to \$693,036,775 in 2002, \$644,097,060 in 2001 and \$585,509,265 in 2000. This represents an increase of 8.2 percent. In Douglas County residential values make up 68 percent of the total value while commercial values comprise approximately 28 percent of the total value.

The total amount of real estate taxes levied in 2003 were \$79,021,634. The total amount of taxes exempt because of the \$20,000 residential exemption is \$1,263,125. Following is a breakdown in the percentage of taxes paid by property class in the county:

Property Class	Taxes	Percent of Total
Residential	\$52,454,791	67%
Commercial	\$20,937,050	26%
Farmstead	\$ 2,250,518	3%
Vacant	\$ 1,861,459	2%
Agricultural	\$ 1,458,383	2%
Other	\$ 59,433	0%

PERSONAL PROPERTY AUDITS DONE

The personal property staff has completed the audits of several personal property accounts. This year the staff audited businesses that had not been audited in prior years. This was the eighth year that the personal property staff has been conducting these type of audits. A total of 140 audits were completed. These types of desk audits are done annually and are required to be completed by the Property Valuation Division of the Department of Revenue. From the audits completed the market value for personal property has increased \$650,855 while the assessed value has increased \$162,715.

The amount of additional tax dollars raised through the audit process was \$17,427 compared to \$9,778.20 in 2002, \$7,582.00 in 2001, \$7,482.00 in 2000; \$7,009.33 in 1999 and \$3,788.50 in 1998.

The second phase of the audit process is a field canvass. Members of the personal property staff conducted field visits to several locations in the City of Lawrence. Staff discovered 22 businesses that were either new or previously had not been reporting. This number compares to 33 in 2002, 30 in 2001, 36 in 2000 and 32 in 1999.

MCCUNE RESIGNS GIS POSITION

Matt McCune a GIS Technician in the GIS/mapping section as resigned his position effective December 18th. Matt has been with the appraiser's office for approximately 1 ½ years. Staff has conducted interviews to fill the position and hoped to have the position filled before the end of the month.

2003 TOP 15 TAXPAYERS LISTED

Following is a list of the top real estate and personal property taxpayers in the county for the year 2003:

Real Estate:

1. Anderson & Baker (K-Mart Dist.)	\$310,306.62
2. Pine Ridge Plaza	\$307,918.26
3. Dayton Hudson Corp. (Target)	\$225,851.34
4. H&S Holdings LLC (Law. Med. Plaza)	\$224,691.44
5. Jefferson Commons	\$203,180.06
6. DG CO Development Inc. (NCS)	\$177,519.14
7. Walmart	\$175,780.62
8. Holiday Inn	\$174,040.22
9. Hallmark Cards, Inc.	\$160,672.28
10. Lawrence Technology	\$157,803.56
11 GCB Holdings	\$157,188.26
12. K-Mart Corp	\$156,103.84
13. Leslie Rudd (Standard Liquor)	\$155,972.64
14. GAD LC (Pinnacle Woods)	\$153,912.60
15. Malls Investment Co.	\$152,591.98

Personal Property:

1. Packerware Corp.	\$447,197.98
2. Hallmark Cards	\$406,091.70
3. Astaris	\$277,411.18
4. Del Monte Corp.	\$252,738.76
5. Lawrence Paper Co.	\$219,371.68
6. World Company	\$213,310.78
7. Amarr Garage Door Inc.	\$200,601.60
8. NCS Pearson	\$164,540.90
9. Schlumberger Tech Corp.	\$144,906.34
10. K Mart Corp No. 8273	\$129,889.56
11. Honeywell International	\$112,280.83
12. H P Pelzer Inc.	\$104,024.08
13. Allen Press Inc.	\$ 79,594.46
14. World Company	\$ 70,435.64

15. Farmland \$ 69,020.54

UPDATE ON 2003 BOTA ACTIVITY

To date this year there have been a total of 188 cases filed from Douglas County with the State Board of Tax Appeals in Topeka. That number includes 123 cases filed with the small claims division and 65 filed with the regular division.

In the small claims cases, there have been 81 properties that received no change in value, 32 properties that received a value reduction including nine stipulations. Ten cases were dismissed at the request of the taxpayer. Seven property owners are appealing their small claims decision on the regular division of the State Board of Tax Appeals. Also 28, 2002 cases were closed out this year. Of that number 27 received a valuation change, ten the result of a stipulation and one property received a no change.

In the regular division there are 36 commercial cases and 29 residential appeals. On the commercial side only eight cases have been completed. Of that number five cases were dismissed at the request of the property owner and three cases were settled by a stipulation between the property owner and the county. There are currently 28 commercial cases still open.

During the year five 2002 cases were settled by BOTA, four by stipulation and one was dismissed. Three 2002 cases are still open.

On the residential docket seven cases have been completed. Of the cases settled five resulted in no change in value and two were dismissed. Twenty-two cases are still open. The board settled 14 2002 cases during the year. Two cases resulted in valuation changes while 12 cases had no change in value.

In the area of tax grievances a total of 44 have been filed with BOTA. Of that number 26 granted, nine denied, three dismissed and six are still waiting a decision by the board.

EMPLOYEE SPOTLIGHT !!!!!

Starting with this newsletter we will be highlighting one or two staff members each month for their efforts in the appraiser's office. The spotlight this month falls on two employees, *Diane Krider* and *Barb Goff*. With the mailing the 2003 tax bills the appraiser's staff has been very busy fielding questions from property owners and in particular Diane has done a great job of dealing with both real estate and personal property taxpayers. With one of our real estate clerks out with a medical problem Barb has assumed many of her responsibilities during the past month while continuing to do her every day tasks. A JOB WELL DONE TO BOTH.