
Appraisal Newsletter

January 1, 2004

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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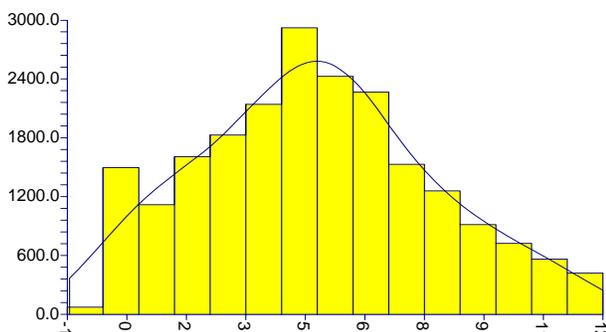
FINAL REVIEW COMPLETED

The final review process for estimating 2004 values will be completed by Friday, February 6. A total of 35,911 properties will be reviewed and valued by county staff. This compares to 35,322, in 2003, 34,637 in 2002, 33,768 in 2001, 32,939 in 2000 and 32,077 parcels in 1999. Following is a current breakdown of the parcels by property classification:

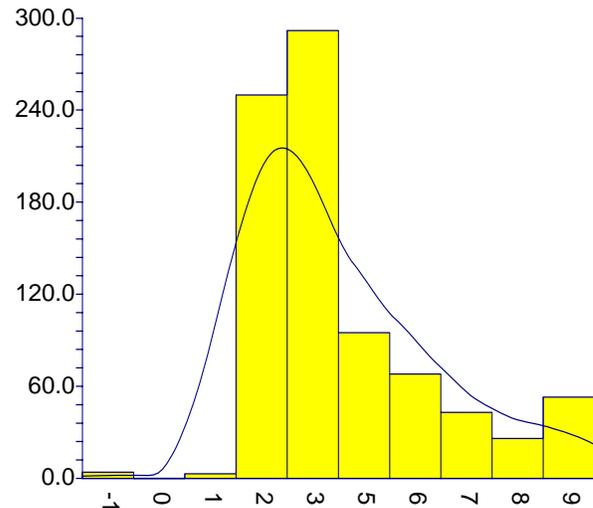
Type	Urban	Rural	Total
Residential	23,559	3,121	26,680
Farm with home site	21	1,473	1,494
Agricultural	204	2,180	2,384
Vacant lots	1,972	863	2,835
Commercial/Industrial	1,353	121	1,474
Exempt for profit	864	165	1,029
	6	0	6
	5	4	9
Totals	27,984	7,927	35,911

Change of value notices will be mailed on Friday, February 27. 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.

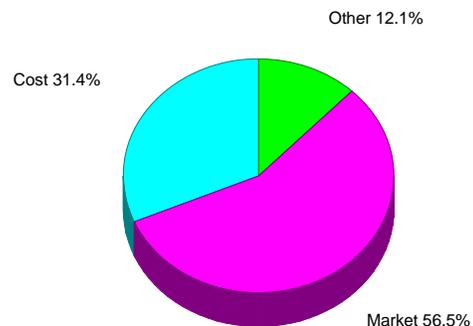
Typically values for residential properties in 2004 will increase between four (4) to eight (8) percent depending on the neighborhood. See the histogram below.



Commercial values will go up on the average two (2) to five (5) percent in 2004. See the histogram below:



For residential property the typical valuation method used was the sales comparison approach. It was used approximately 56 percent of the time. Below is a pie chart showing the breakdown of valuation methods used in the 2004 valuation residential process:



The deadline to request an informal hearing will be Tuesday, March 30 at 5 p.m. Informal hearings are set to begin the week of March 15. The annual appraisal update will be presented to the county commission on Monday, February 16 and the market study analysis for 2004 will be published the week of February 16. 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 2004 personal property renditions. Approximately 9,300 renditions were mailed at the end of December. As of January 28 a total of 1,904 individual renditions and 568 commercial renditions had been returned to the appraiser's office. This represents 27 percent of the mailed renditions.

Also in January the office mailed approximately 100 oil and gas renditions. The office has received per barrel prices for oil that the county will be using to value oil renditions in 2004 from the Division of Property Valuation, Department of Revenue.

The filing deadline for the personal property renditions is Monday, March 15 at 5 p.m.. The filing deadline for oil and gas renditions is Thursday, 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.

NEW 2004 AG USE VALUES POSTED

The Kansas Constitution requires agricultural land to be valued based on its income or productivity. The new agricultural use values for 2004 were received by the appraiser's office the last week of January. The values are developed by the Division of Property Valuation of the Department of Revenue and Kansas State University.

In 2004 the average crop land values in the county will increase between five (5) to seven (7) percent. The values for pasture land and tame grass (hay land) increased on the average of two (2) to three (3) percent.

2003 REAL ESTATE SALES INCREASE

The number of sales in Douglas County were up in 2003. The total number of sales worked in the office were 3,240 involving 3,609 parcels. This compares to 2,910 sales involving 3,190 parcels in 2002, 2,998 sales involving 3,450 parcels in 2001 and 2,860 sales involving 3,267 parcels in 2000.

The total number of home sales worked during the year was 1,728 which does not include sales of newly constructed homes. This compares to 1,535 in 2002, 1,536 in 2001, 1,218 in 2000; 1,404 in 1999 and 1,706 in 1998. This represents an increase of 12.5 percent. The average home sale in the county increased in 2003 to \$161,720 compared to \$148,800 in 2002, \$139,160 in 2001, \$132,500 in 2000 and \$125,900 in 1999. This represents an increase of approximately 8.7 percent. In 2003 there were 404 new homes (including homes started in 2002 and finished in 2003) which sold at an average selling price of \$190,829 compared to \$197,100 in 2002, \$184,930 in 2001 and \$176,975 in 2000.

Following is a breakdown of total valid single family residential sales in the county for the year 2003:

Location	2003 Number	2003 Sale Price
Lawrence	1,701	\$169,805
North Lawrence	79	\$105,624
Baldwin City	83	\$145,852
Eudora	159	\$143,349
Lecompton	3	\$164,667
Rural	107	\$224,030

KANSAS LEGISLATIVE NEWS

The Kansas Legislature opened the 2004 legislative session in January. To date only a few bills have been introduced or carried over from 2003 that affect the appraiser's office. Following are a summary of the legislation:

HB 2255 - This bill says that increases in fair market value of property could not be caused by general maintenance to the property. **Status - House Taxation Committee**

HB 2430 - This bill narrows the time frame on property tax refunds from three years to one year and changes the interest rate on such refunds from a floating rate to a flat two percent. **Status - House Taxation Committee**

HCR 5018 - This resolution would change the property tax formula beginning in 2005, lowering the commercial and industrial assessment rate to 15% from 25%. **Status - House Taxation Committee**

SB 161 - This bill would eliminate the property tax exemption for certain housing for the elderly. **Status - the bill has passed the Senate and is now in the House Taxation Committee.**

EMPLOYEE SPOTLIGHT !!!!!

This month the employee spotlight falls on the field appraisers in the office. For the past three months they have been busy setting values for the 2004 valuation year. As noted elsewhere in this newsletter that process will be completed during the first week in February. Field appraisers involved in the value setting process are *Troy Palmer, Bill Argersinger, Cindy Spriggs, Jeff Storie, Steve Miles and Sharon Dominik.*

Also in January we welcomed back *Malinda Grier*, who had been off work for over two months because of a medical problem.

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March 1, 2004

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CHANGE OF VALUE NOTICES

The 2004 change of value notices were mailed to Douglas County real property owners on Friday, February 27. Property owners wanting to appeal their value have until Tuesday, March 30 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 15. All the hearings again this year will be held in the basement of the county courthouse at 1100 Massachusetts. The number of informal hearings held in 2003 was 1,376 compared to 1,135 in 2002; 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 2004 preliminary assessed valuation for real estate shows an increase over the 2003 total. The total real estate assessed valuation for 2004 as of February 27 was \$814,730,005 compared to \$749,339,135 in 2003. This represents an increase of \$65,390,690 or approximately 8.7 percent. The assessed value in 2002 was \$693,011,825; \$644,097,660 in 2001; \$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. Following is a breakdown of the 2004 value by property class:

Property Class	2003 Value	2004 Value
Residential Urban	\$440,746,705	\$481,216,245
Residential Rural	\$ 60,356,725	\$ 65,341,600
Farmstead Rural	\$ 21,462,145	\$ 22,913,605
Farmstead Urban	\$ 338,325	\$ 312,705
Vacant Urban	\$ 14,112,690	\$ 14,597,360
Vacant Rural	\$ 2,986,945	\$ 3,679,375
Agricultural Rural	\$ 13,951,835	\$ 14,837,175
Agricultural Urban	\$ 140,185	\$ 127,395
Commercial Urban	\$188,954,900	\$205,081,325
Commercial Rural	\$ 5,743,845	\$ 5,958,690
Not for Profit	\$ 391,710	\$ 450,945
Other Rural	\$ 34,675	\$ 40,300
Other Urban	\$ 118,450	\$ 173,285
Total	\$749,339,135	\$814,730,005

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 small claims and regular division of the State Board of Tax Appeals in Topeka.

New construction accounted for approximately 2.8 percent of the valuation increase in 2004. The new construction assessed value total as of January 1, 2004 was \$21,116,747 compared to \$25,134,615 in 2003; \$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 2004 personal property renditions is Monday, March 15 at 5 p.m. Oil and gas renditions must be filed by Thursday, April 1 at 5 p.m. To date approximately 3,371 or 36 percent of the 9,300 renditions mailed by the county have been returned to the appraiser's office. The number of returned renditions is running slightly behind this date a year ago. At the end of February in 2003 approximately 38 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.

2004 SALE INFORMATION REPORTED

The appraiser's office has already begun tracking the new 2004 sales in the county. The number of sales questionnaires worked by the sales department since January 1 is 263 which involved 281 parcels. This number is down from 2003 when 338 sale questionnaires involving 374 parcels were worked during the same time frame.

During the first two (2) months of 2004 the sales department has worked 92 valid residential sales. The average sale price for the residential sales was \$161,600 compared to \$161,700 in 2003; \$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 12 new home sales so far in 2004 is \$214,300 compared to \$190,800 in 2003; \$197,100 in 2002; \$184,900 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 three (3) valid sales worked during the first two (2) months of the year. The current sales ratio on the three (3) sales is 99 percent.

2004 RESIDENTIAL VALUES

The appraiser's office recently developed a report showing the breakdown of residential house values in the county by value range. 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 2003.

Value \$ range	Number	2004 % of total	2003 % of total
0 to 39,999	177	0.6	0.7
40,000 to 59,999	607	2.2	3.0
60,000 to 79,999	1,563	5.7	6.9
80,000 to 99,999	2,709	9.8	12.3
100,000 to 119,999	3,714	13.6	15.4
120,000 to 149,999	6,436	23.6	22.4
150,000 to 199,999	6,263	22.9	19.8
200,000 to 299,999	4,274	15.6	13.7
300,000 to 399,999	1,069	3.9	3.4
400,000 to 499,999	313	1.1	1.0
500,000 to 699,999	173	0.6	1.0
700,000 to 999,999	80	0.3	0.2
1,000,000 and up	25	0.1	0.1

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:

Location	Single Family	Multi-Family
Baldwin	1,012	88
Eudora	1,419	132
Lecompton	185	2
North Lawrence	865	10
Lawrence	18,079	2,120
Rural	4,609	1
Total	26,169	2,353

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 2004 valuation year is \$145,000 compared to \$133,000 in 2003, \$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 2004 is \$145,200 compared to \$133,600 in 2003, \$127,000 in 2002 and \$119,740 in 2001. The median market value for the cities in Douglas County are listed below:

Cities	Median market value
Baldwin	\$130,300

Eudora	\$122,500
Lecompton	\$ 85,815
Lawrence	\$143,600
Rural	\$173,700

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

School district	Median market value
U.S.D. 497 (Lawrence)	\$145,200
U.S.D. 491 (Eudora)	\$126,900
U.S.D. 348 (Baldwin)	\$141,350
U.S.D. 343 (Lecompton)	\$149,000

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 (7,966) followed by a conventional style (5,896), old styles (3,361) and townhouses (3,525). Following are the results of the study:

House style	Count	Median value
Bi-level	1,213	\$148,000
Bungalow	963	101,400
Colonial	12	355,000
Condominium	522	74,100
Conventional	5,869	203,800
Converted House	471	139,100
Earth Contact	168	157,800
Earth Shelter	3	146,100
Modern	124	231,500
Modular	312	115,600
Old Style	3,361	97,900
Other	219	74,400
Ranch	7,966	131,500
Ranchett	701	78,800
Split level	1,159	163,900
Townhouse	3,525	128,700
Traditional	50	266,700
Victorian	20	343,300
Walkout basement	1,507	183,400

APPRAISAL TIDBITS !!!!!

**The office received an updated apartment market survey for 2003 from Keller & Associates in Lawrence. The survey noted that the occupancy rate as of August of 2003 was 92 percent or a vacancy rate of eight (8) percent. The vacancy rate the appraiser's office used for apartments in the 2004 valuation process was also eight (8) percent.

**For 2004, there are two (2) ponds involving nine (9) parcels that are receiving a 10 year pond dam exemption and 15 ponds involving 22 parcels receiving a 20 year exemption.

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April 1, 2004

Volume 8, Number 7

2003 PRELIMINARY SALES RATIO

The Division of Property Valuation, Department of Revenue, in March released the 2003 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 2003 was 97 percent with a COD of 5.6. A total of 345 sales were used in the study. The 2002 median ratio was 97 percent with a COD of 4.9. 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 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 2003 was 1.01. 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 2003 median ratio for commercial property was 95.2 with a COD of 13.1. A total of 23 sales were used in the commercial study. The 2002 commercial median ratio was 96.2 with a COD of 10.1. 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 PRD for commercial property in 2003 was 1.00.

WHERE DOES MY TAX MONEY GO?

A question often asked this time of year is how much will my taxes be and where does the money go? The average value in 2004 for residential property in the City of Lawrence is

approximately \$145,000 which would result in a tax bill, based on last year's mill levy, of \$1,785 ($145,000 \times .115 \times .107102$). Following is a breakdown of the estimated tax:

Taxing Entity	Taxes	% of Total
State of Kansas	\$ 25	1.4 %
Douglas County	\$498	27.9 %
City of Lawrence	\$467	26.2 %
USD 497	<u>\$795</u>	<u>44.5 %</u>
Total	\$1,785	100 %

REAL ESTATE ASSESSED VALUES REPORTED BY PROPERTY CLASS

The total assessed value of real estate in Douglas County has increased by 100 percent since 1996. The real estate assessed value in 1996 was \$407,182,890 compared to \$814,576,850 in 2004. The 2004 total is not final as of this date and represents the value as of March 26. 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):

Year	Agricultural	Residential/Urban
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
2004	\$14,860,160	\$481,018,095
% difference		
1996-2004	+40%	+107%

Year	Residential/Rural	Com./Industrial
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
2004	\$65,274,960	\$211,252,005
% difference		
1996-2004	+108%	+90%

Year	Farmstead	Vacant
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
2004	\$23,260,940	\$18,147,340
% difference		
1996-2004	+95%	+70%

CITY/TOWNSHIP VALUATION DATA

Following is the current breakdown of the real estate assessed valuation by cities and townships for 2004. The final numbers will not be available until after the values are certified to the County Clerk in June.

Location	2004	2003	% Diff.
Cities:			
Baldwin	\$ 23,082,795	\$ 20,639,530	+ 11.8
Eudora	\$ 28,263,445	\$ 25,295,690	+ 11.8
Lawrence	\$648,472,110	\$596,773,485	+ 8.6
Lecompton	\$ 2,198,835	\$ 2,075,990	+ 5.9
Townships:			
Clinton	\$ 6,226,305	\$ 5,610,430	+ 10.9
Eudora	\$11,886,190	\$ 10,884,415	+ 9.2
Grant	\$ 6,055,115	\$ 5,694,745	+ 6.3
Kanwaka	\$14,964,190	\$ 13,971,240	+ 7.1
Lecompton	\$ 8,445,660	\$ 7,909,940	+ 6.8
Marion	\$ 8,277,155	\$ 7,720,820	+ 7.2
Palmyra	\$21,077,570	\$ 19,577,305	+ 7.7
Wakarusa	\$22,306,420	\$ 21,021,220	+ 6.1
Willow Springs	\$13,321,060	\$ 12,164,325	+ 9.5
Total:	\$814,576,850	\$749,339,135	+ 8.7

New construction county wide accounts for \$21,116,747 of the 2004 amount which is 2.8 percent of the total increase. The remaining 5.9 percent of the increase is due to market appreciation. More specifically, in Baldwin City new construction amounted to 4.5 percent of the 11.8 percent increase in value. In Eudora new construction amounted to 5.4 percent of the total 11.8 percent increase in value. In the City of Lawrence, new construction totaled 2.8 percent of the total 8.6 percent increase in value.

INFORMAL HEARINGS UNDERWAY

Informal hearings began on Monday, March 15. A total of 123 informal hearings have been held and decisions made as of Tuesday, March 30. A total of 63 hearings or 51 percent have received an adjustment in value. A total of 55 hearings or 45 percent have received no change in value. Five (5) scheduled hearings have been no shows. The last day to request an informal hearing was Tuesday, March 30. As of Wednesday, March 31, 805 hearings were scheduled. The breakdown

included 105 commercial hearings and 700 residential hearings. The total hearings in 2003 were 1,376. We have approximately 200 hearings that came in the last day (March 30) and have not been scheduled yet. 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 26, approximately 3,000 commercial renditions had been returned to the appraiser's office. Staff estimates that approximately 700 commercial renditions have not yet been returned. A total of 3,610 regular renditions have been returned with approximately 1,985 yet to be returned. Approximately 164 businesses have received a filing extension until April 15. Thirty-two (32) 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 Friday, April 30. Approximately 7,200 notices will be mailed. Property owners have until Monday, May 17 at 5 p.m. to request an informal hearing with the appraiser's office personal property section.

EMPLOYEE SPOTLIGHT!!!!

Doug Wyatt of the GIS section recently attended and successfully completed IAAO course 101. Congratulations Doug.

KANSAS LEGISLATIVE NEWS

Following is a summary of some of the bills that have been introduced:

HCR 5018 - Changes property tax formula beginning in 2005, lowering commercial and industrial assessment rate to 15%, down from 25%. **Status - remains in house committee.**

HCR 5031 - Places a cap on how much residential property values can rise annually. **Status - passed out of house committee but still in the house.**

HCR 5038 - Exempts 50% of the first \$200,000 of appraised valuation of residential property for properties occupied by those 67 years of age or older. **Status - remains in house committee.**

Appraisal Newsletter

May 1, 2004

Volume 8, Number 8

PERSONAL PROPERTY CVNS MAILED

The 2004 personal property change of value notices were mailed Friday, April 30. A total of 6,986 notices were mailed. Property owners have until 5 p.m. on Monday, May 17th to request an informal hearing with a member of the personal property section. A total of 12 personal property informal hearings were held in 2003 compared to 11 in 2002, nine (9) in 2001, 12 in 2000 and 21 in 1999.

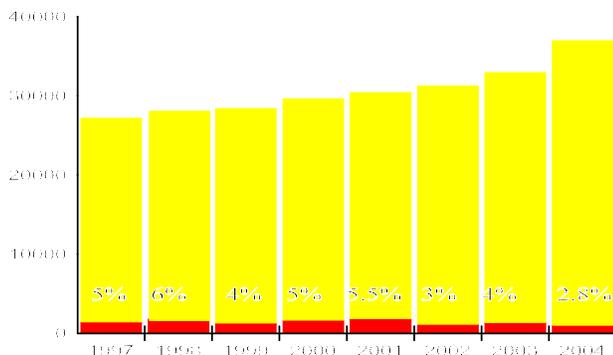
The preliminary assessed value for personal property in 2004 is an estimated \$62,069,500 compared to \$63,285,362 in 2003, \$67,635,290 in 2002, \$68,685,098 in 2001 and \$73,274,170 on this same date in 2000. This value does not include the penalty amount for the late filing of personal property renditions. This represents a decline of approximately 2.0 percent in assessed value.

The total personal property assessed value for 2004 should increase as the staff works the failure to file renditions and those renditions that were granted filing extensions. As of April 27 there were approximately 2,354 personal property owners who have not filed their 2004 renditions compared to 2,451 in 2003, 2,126 in 2002 and 2,151 for the same time period in 2001.

INFORMAL HEARINGS ENDING

The final day for informal real estate hearings will be Friday, May 14th. A total of 1,012 informal hearings have been scheduled which represents approximately 2.8 percent of the county's total parcel count. This number includes 180 commercial properties and 832 residential/agricultural properties. The 2004 hearing total is down 26 percent from the 2003 total of 1,376. Following is a graph showing a breakdown of hearings compared to total parcel counts since 1995:

Hearing Count Vs Parcel Count



Following is a breakdown by area of the 2004 informal hearing count:

Commercial:

Area	Total Parcels	Hearings	Percent
Baldwin	125	4	3.2%
Eudora	100	2	2.0%
Lecompton	8	0	0.0%
North Lawrence	169	11	6.5%
Lawrence	1,554	162	10.5%
Rural	104	1	1.0%
Total	2,060	180	8.8%

Residential:

Area	Total Parcels	Hearings	Percent
Baldwin	1,409	51	3.6%
Eudora	1,972	38	2.0%
Lecompton	269	0	0.0%
North Lawrence	1,060	23	2.2%
Lawrence	21,292	588	2.8%
Rural	7,940	132	1.7%
Total	33,942	832	2.5%

INFORMAL HEARING RESULTS

Through Friday, April 30th, a total of 746 informal hearing cases had been closed by members of the appraisal staff. Included in that number were 45 hearings (6 percent) where the property owner failed to show. Of the hearings held 347 or 47 percent had received a change in value while 354 or 47 percent had received no change in value.

The assessed valuation as of April 30 stands at \$813,123,630 compared to \$814,730,005 on February 27th, the date the change of value notices were mailed. So far during hearings the value has declined \$1,606,375 or less than one-half (1/2) percent. The overall assessed value on real estate is up approximately 8.5 percent from the 2003 total of 749,339,135. The 2002 total was \$693,011,825. The 2001 total assessed value was \$644,067,060 and \$585,509,265 in 2000.

To date a total of 19 cases involving 2004 informal hearings have been filed with the small claims division of the State Board of Tax Appeals.

NEW KSCAMA SYSTEM INSTALLED

The new KSCAMA system has been installed on the county's computer system. The state plans two days of training on May 5 and 6 and the initial conversion of the old CAMA data to the new system is scheduled to begin on Monday, May 10th. The final conversion process is scheduled for the week of June 24th.

and the county is scheduled to go live with the system on Tuesday, June 29th. For the remainder of 2004 the appraiser's office will be operating two CAMA systems. The 2005 real estate values will be developed using the current CAMA system.

FLEX TIME RETURNS THIS MONTH

Beginning on May 10th 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.

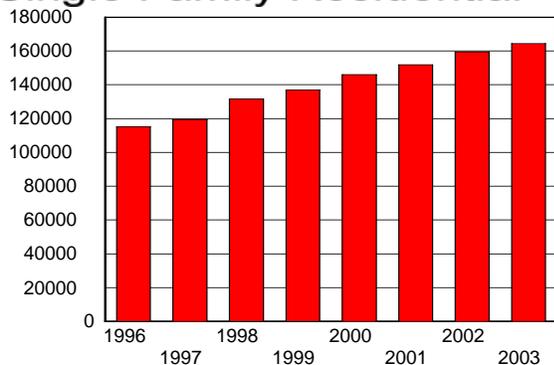
2004 SALES CONTINUE UPWARD

To date in 2004 a total of 712 sales questionnaires involving 747 parcels have been worked by the appraiser's sales department. During the first four (4) months of 2003 the office worked 759 sales questionnaires involving 838 parcels.

To date in 2004 the sales department has worked 353 valid residential sales. The average sale price for the residential sales was \$155,340 compared to \$161,700 in 2003, \$148,800 in 2002, \$139,160 in 2001 and \$132,500 in 2000. This represents a decrease of 4.0 percent. The current average sales ratio for residential property is 98 percent compared to a 2003 and 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.

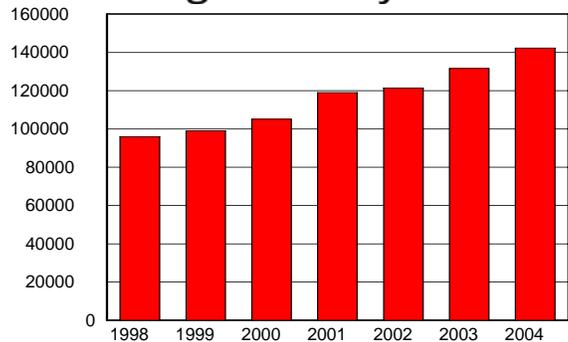
In conjunction with the average sale price rise over recent years

**Average Sale Price
Single Family Residential**



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 2004 the county has worked 53 new home sales. The current average selling price for these new homes is \$222,760 compared to \$190,800 in 2003, \$197,100 in 2002, \$187,820 in 2001, \$176,975 in 2000 and \$154,288 in 1999. To date in 2004 there have been 16 commercial sales recorded and the average sales ratio for the those sales is 95 percent.

FIRST QUARTER MAP MAINTENANCE

The mapping section has been busy during the first part of 2004. A total of 24 new plats have been filed involving 330 lots. A total of 902 straight transfers have been worked along with 11 combinations, 83 divisions and 18 divisions/combinations. As of April 28 a total of 413 new lots have been mapped this year.

EMPLOYEE SPOTLIGHT !!!!!

Congratulations to *Dennis Albers* who recently completed the IAAO's Instructor Training Workshop. Dennis is now qualified to instruct the two basic IAAO mapping courses. Also, a big thank you to *Jane Webster* and *Malinda Grier* for their efforts the past few weeks while Barb Goff was off work for family medical problems.

Cudos to *Bill Argersinger* for his recent work with a county property owner. Following is an excerpt from a letter received from the property owner, "Thank you for taking your time to speak with me regarding my home's assessment. I appreciate your patience in going over your evaluation. I now understand the process and how careful you and the other appraisers are in conducting evaluations of property in the county." A job well done Bill.

AG USE MAILERS RETURNED

A total of 1,052 agricultural use mailers were mailed to county property owners in April. To date 97 of the mailers have been returned to the appraiser's office. Of that number 25 need some land use changes, 22 require no changes and 50 have not yet been reviewed by staff.

Appraisal Newsletter

June 1, 2004

Volume 9, Number 9

KANSAS LEGISLATIVE SUMMARY

Following is a summary of the legislative bills passed by the Kansas Legislature in 2004 that will have an impact on or are of interest to the appraiser's office:

Senate Bill 147: This bill had two provisions that affect the county appraiser's office. First, it expands retroactively for tax year 2003 a property tax exemption for business aircraft to replace a requirement that the aircraft be "actually and regularly used exclusively" to earn income for owners with a requirement that the aircraft be used "predominantly" for such purposes. "Predominantly" is defined to mean at least 80 percent of the total use of the aircraft; or utilization of the aircraft such that all costs are deductible for federal income tax purposes. Additional new language provides that when the owner's business is leasing the aircraft, the lessee's use of the aircraft is not to be considered in determining the exemption.

Secondly, the bill classifies all wireless communication towers, broadcast towers, antenna and relay sites, except for public utility property, as tangible personal property for property tax purposes. These towers, antenna and relay sites are defined as commercial and industrial machinery and equipment for classification purposes.

House Bill 2375: This bill has several provisions that affect the appraiser's office. First, the bill requires the person recording or filing a lease agreement with the Register of Deed's Office to include the words "building on leased ground" on the first page of the lease agreement, when improvements exist which are owned by entities other than the landowner. The legislation further states that failure to include these words may result in the improvement being assessed to the landowner.

Secondly, it amends the definition of "residential" for property tax classification purposes to provide that such terms include land and improvements used to store household goods and personal effects not used for the production of income, even when such land and improvements are not contiguous to land accommodating a dwelling or home.

The bill also requires that the property tax exemption for household goods and personal effects is extended to such items used in the home for "bed and breakfast home purposes". The bill also clarifies that residential real property used for bed and breakfast home purposes is eligible for the 11.5 percent assessment rate applicable to other residential property. A bed and breakfast home is defined to include residences with five or fewer bedrooms available for overnight guests who stay for not more than 28 consecutive days and for which there is

compliance with all 63 zoning and other ordinances or laws pertaining to facilities which lodge and feed guests.

The bill also amends the exemption relating to not-for-profit cooperative housing projects approved by the U.S. Department of Housing and Urban Development. Under the new language, projects obtaining financing from entities other than HUD will be able to retain their property tax exemption, provided that the articles of incorporation or by-laws are amended to require that the corporations will continue to operate in compliance with certain HUD affordability income guidelines.

PERSONAL PROPERTY HEARINGS

The deadline to request an informal hearing for personal property values was Monday, May 17. A total of 12 informal hearings were scheduled compared to 12 in 2003, 11 in 2002, nine (9) in 2001, 12 in 2000, 21 in 1999 and seven (7) in 1998. The informal hearings were scheduled for Tuesday, June 1. A total of 6,686 notices were mailed to personal property owners.

The preliminary 2004 assessed value for personal property is an estimated \$63,985,365 excluding penalties for late filings compared to \$69,103,080 at this same time in 2003, \$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 7.5 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. The values must be certified by June 15.

The 2003 penalty value to date is \$1,284,235 compared to \$1,613,585 in 2002, \$2,347,335 in 2001, \$1,713,555 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 2,250 property owners who filed a rendition in 2003 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 140 audits which resulted in a market value increase of \$624,415 and an assessed value increase of \$156,105. The amount of

additional tax dollars that was raised through the audits in 2003 was \$16,719 compared to \$9,778.20 in 2002, \$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 Wednesday, May 12. A total of 1,003 informal hearings were held which represents approximately 2.7 percent of the county's total parcel count. This number included 182 commercial properties and 821 residential/agricultural properties. The 2004 hearing total is 27 percent less than the 2003 total of 1,378.

In the commercial area a total of 89 hearings or 49 percent received a change in value, while 92 hearings or 51 percent received no change in value. There was only one no show hearing this year. On the residential/agricultural side 397 hearings or 48 percent received a change in value, while 400 hearings or 49 percent received no change in value and there were 24 or three percent (3%) no show residential hearings. The assessed valuation as of May 28 stands at \$811,784,119 compared to \$814,730,005 as of February 28, the date the change of value notices were mailed. The value declined \$2,945,886 or less 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 8.3 percent from the 2003 total of \$749,339,113. The 2002 total was \$693,011,825. The 2001 total was \$644,097,060 and the 2000 total was \$585,509,265. The 2004 real estate value will be certified to the county clerk prior to June 15.

New construction for 2004 totaled \$21,116,747 in assessed value compared to \$25,134,615 in 2003, \$19,296,640 in 2002, \$20,526,670 in 2001, \$20,086,350 in 2000 and \$18,451,625 in 1999. The new construction value represented 2.6 percent of the 2004 value increase. This means the increase for market appreciation in 2004 was 5.7 percent (8.3 percent minus 2.6 percent).

2004 SALES CONTINUE STRONG

During May a total of 424 sales questionnaires involving 455 parcels were worked by the appraiser's sales department. For the year the office has worked 1,136 questionnaires involving 1,205 parcels.

At the end of May the appraiser's staff had reviewed 573 valid residential sales. The average sale price for the residential sales was \$158,500 compared to \$161,700 in 2003, \$148,800 in 2002, \$139,160 in 2001 and \$132,500 in 2000. This represents a decrease of two (2) percent. The current average sales ratio is 99 percent compared to a 2003 and 2002 sales ratio of 97 percent, a 2001 sales ratio of 96 percent, 94 percent in 2000 and 95 percent in 1999.

So far in 2004 the county has worked 102 new home sales. The current average selling price for these new home sales is \$252,650 compared to \$190,800 in 2003, \$197,100 in 2002, \$187,820 in 2001, \$176,975 in 2000 and \$154,288 in 1999.

To date in 2004 there have been 19 commercial sales recorded and the average sales ratio for those sales is 93 percent.

AG USE MAILERS RETURNED

A total of 1,050 agricultural use mailers were mailed to county property owners in April. To date approximately 120 of the mailers have been returned to the appraisers's office. Of that number 73 need some sort of land use change and have been given to the mapping department. Approximately 40 have been returned from mapping and the changes are currently being made to the CAMA record. Thirty-one require no changes and staff has approximately 15 that haven't been reviewed yet.

I&E QUESTIONNAIRES MAILED

The commercial department during May mailed out approximately 500 income and expense questionnaires to commercial and industrial property owners. The information gathered from the questionnaires will be used to develop the county's income and expense models to be used in the 2005 valuation process.

During June and 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 2005. The commercial cost index is a factor used to adjust the county's cost tables to account for current building costs in the market.

EMPLOYEE SPOTLIGHT !!!!!

Friday, May 21 was the last day in the appraiser's office for field appraiser *Jeff Storie*. Jeff had worked for the office for over two years. He has taken a position as a commercial appraiser in the Wyandotte County appraiser's office. Hired to replace Jeff was *Kris Sample*. Kris began work on Wednesday, June 2.

Steve Miles and *August Dettbarn* recently completed the one day Kansas Property Tax Law update course sponsored by the Property Valuation Division of the Department of Revenue in Topeka. *Cindy Spriggs* and *Marion Johnson* successfully completed the three day Property Tax Law Course in May which was sponsored by PVD.

Also *Troy Palmer* has recently completed the Uniform Standards of Professional Practice one-day update workshop which was held in Topeka.

Appraisal Newsletter

July 1, 2004

Volume 8, Number 10

VALUATION NUMBERS REPORTED

The appraiser's office certified both the 2004 real estate and personal property values to the County Clerk on Friday, June 11. The county's total 2004 assessed value, including state assessed property, is \$958,505,252 compared to \$896,601,365 in 2003; \$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 the same as the 2003 increase. The increase in 2002 was 5.5 percent. 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 2003:

Category	2004 value	2003 value	%Diff.
Real Estate	\$811,348,020	\$750,862,530	+ 8.1%
Personal Property	\$ 65,243,725	\$ 70,302,795	- 7.2%
State assessed	<u>\$ 81,913,507</u>	<u>\$ 75,436,040</u>	<u>+8.6%</u>
Total	\$958,505,252	\$896,601,365	+ 7.0%

The personal property numbers will continue to increase as the appraiser's office continues to work the "failure to file" renditions. These are county property owners who filed a personal property return in 2003 but have not filed one in 2004. More detailed information on this process can be found later in this newsletter.

The bulk of the county's 2004 value is found in the urban areas. Of the total assessed value for 2004, 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 both 2003 and 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	2004 value	2003 value	%diff.
Lawrence	\$717,553,891	\$674,353,182	+ 6.4%
Baldwin City	\$ 24,621,727	\$ 22,153,022	+11.1%
Eudora	\$ 31,332,901	\$ 28,087,776	+11.6%
Lecompton	\$ 2,732,798	\$ 2,634,364	+ 3.7%
Rural	<u>\$182,263,935</u>	<u>\$169,373,041</u>	<u>+ 7.6%</u>
Total	\$958,505,252	\$896,601,365	+ 7.0%

2003 SALES RATIO STUDY RESULTS

The 2003 official real estate appraisal ratio study was released during June 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 with the state guidelines a county's median sales ratio has to fall between 90 and 110. The median sales ratio is the middle ratio after all the ratios are arrayed in order from the lowest to the highest. The median measures the appraisal level in the county.

Another measure of compliance is the coefficient of dispersion (COD). The COD measures the amount of variation in the county's valuations or appraisal uniformity. To be in compliance with the state guidelines the COD should be below 20 percent.

Douglas County's 2003 median ratio for residential property was 96.8 with a COD of 5.6. A total of 346 valid residential sales were used in the study. In 2002 the median sale ratio was 97 percent with a COD of 4.9 which compares to a median ratio of 97.2 in 2001 with a COD of 5.5.

The 2003 sales ratio in Douglas County for commercial property was 95.2 with a COD of 13.1. A total of 27 valid commercial sales were used in the study. In 2002 the commercial sales ratio was 96.2 with a COD of 9.1. The 2001 sales ratio was 88.6 with a COD of 16.9.

The 2003 sales ratio on vacant residential land in the county was 93.6 with a COD of 11.1. The county's overall sales ratio, for all type of properties, was 95.8 with a COD of 7.6. This compares to an overall ratio of 96.4 in 2002, 94.7 in 2001, 94.5 in 2000 and 93.9 in 1999.

APPRAISED VALUE/TAX COMPARISON

Saline County in conjunction with the Salina Journal recently conducted a survey of several Kansas counties to see how the appraised values and resulting taxes compared on a standard residential property. The standard residential property selected for the study was a ranch style home built in 1974. The property had 875 square feet of living area on a full basement, an attached garage, two bedrooms, one bath and central air. The property also had 140 square feet of rec room finish in the basement and a 120 square foot deck. The lot size for the property was 8,000 square feet.

Following is a comparison of the appraised value and tax comparison by county:

County	Value	Levy	Taxes
Saline	\$83,300	118.574	\$1,089.88

Dickinson	\$74,000	128.174	\$1,044.76
McPherson	\$84,700	141.861	\$1,335.80
Reno	\$80,500	157.699	\$1,413.90
Douglas	\$96,200	107.102	\$1,138.87
Johnson	\$101,700	106.240	\$1,196.53
Shawnee	\$78,900	141.222	\$1,235.38
Thomas	\$57,200	153.100	\$ 961.09
Finney	\$73,900	145.675	\$1,192.02
Cloud	\$53,100	182.112	\$1,066.07
Ottawa	\$66,600	145.424	\$1,067.80
Lincoln	\$44,800	184.935	\$ 906.79
Ellis	\$85,500	125.368	\$1,186.68
Lyon	\$69,100	151.962	\$1,161.57

2004 SALES INFORMATION UPDATED

During June a total of 378 sales questionnaires involving 408 parcels were worked by the appraiser's office. This compares to 368 questionnaires involving 384 parcels in June of 2003. For 2004, through the end of June the office has worked 1,514 questionnaires involving 1,612 parcels compared to 1,448 questionnaires for the same time period in 2003. The number of parcels worked for this time frame in 2002 was 1,560.

During the first six (6) months of 2004 the office has worked 817 valid residential sales. The average sale price for the residential sales is \$162,200 compared to \$161,700 in 2003, \$148,800 in 2002, \$139,160 in 2001 and \$132,500 in 2000. This represents an increase of approximately 0.3 percent. The current average sales ratio is 99 percent.

To date the staff has worked 146 new home sales. The average sales price of the new homes is \$243,400 compared to \$190,800 in 2003, \$197,100 in 2002, \$187,820 in 2001 and \$176,975 in 2000. On the commercial side there have been 25 valid sales and the average sales ratio is 90 percent.

EXEMPT PROPERTY SUMMARY

The total number of exempt real estate properties in Douglas County currently stands at 1,102 or approximately three (3) percent of the total county parcels. The total amount of exempt market value is \$1,114,763,210 which represents about 19 percent of the county's total real estate market value. The breakdown of the exempt value is land, \$368,443,610 and improvements, \$746,319,600.

PERSONAL PROPERTY ACTIVITY

The personal property staff is continuing to work on this year's failure to file renditions. A total of 2,250 renditions were not filed by the filing deadline compared to 2,300 in 2003. 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 680 failure to file notices have been mailed. Of that number 281 have been returned by the property owner. The remaining 1,570 failure to file notices will be mailed out in July.

The penalty value for late filing of personal property renditions in 2004 now stands at \$1,859,110 compared to \$2,239,025 in 2003; \$1,525,070 in 2002; \$2,347,335 in 2001 and \$1,713,555 in 2000.

Staff has mailed out 34 audit letters to personal property owners as part of the annual audit of selected personal property renditions. This year is the ninth year that these audits have been conducted. The audits are required by the Division of Property Valuation, Department of Revenue.

A total of 12 personal property informal hearings were held in June. As a result of the hearings the 2004 personal property assessed value was reduced \$136,880.

2004 STATE BOARD ACTIVITY

To date in 2004 there have been 99 cases filed with the small claims division of the State Board of Tax Appeals compared to 122 for the same time in 2003. Eight-six of these hearings were on 2004 informal hearing appeals and 13 were 2003 payment under protest cases. A total of 50 small claims hearings have been held. Of that number the small claims hearing officer has rendered a decision on 29 cases. Twenty-one of the cases received no change in value and four appeals received a value reduction and four were dismissed at the request of the taxpayer. Forty-nine cases are waiting to be scheduled.

In the regular division there have been 12 cases filed in 2004. That includes four residential cases and eight commercial case. None of these cases have been scheduled for hearing at this point.

2004 MAPPING ACTIVITY REPORTED

To date in 2004 the mapping section has worked 42 new plats which have accounted for 408 new lots. That compares to 21 new plats a year ago at this time which involved 233 new parcels. The staff during the first six months of 2004 has also worked 149 divisions, 14 combinations and 25 parcels that involved both a division and a combination. The total number of new parcels added so far in 2004 is 582 compared to 356 at this same time in 2003. A total of 823 new parcels were added in 2002 and 1,181 in 2001. To date in 2004 the mapping staff has worked 1,727 straight property transfers.

The total amount of map sales during the first six months of the year is \$1,064. The office has also collected \$50 from the sale of selectabilities and \$1,421 in miscellaneous income (copies, faxes, etc.).

Appraisal Newsletter

August 1, 2004

Volume 8, Number 11

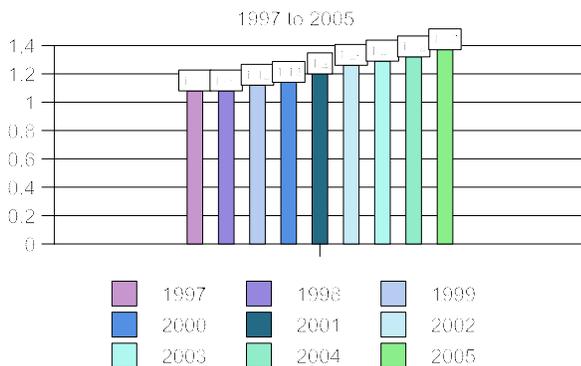
2005 COST INDEXES ESTABLISHED

Staff has completed the cost index studies for both residential and commercial properties that will be used in the 2005 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 2003 and 2004. 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 2005 will be 1.37 compared to 1.32 in 2004, 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 3.8 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 Index History

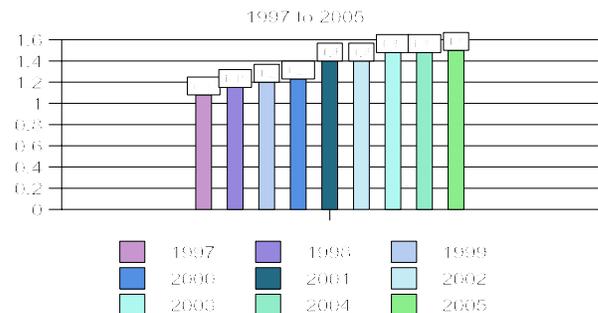


The commercial cost index was developed using data from commercial properties that were built in either 2002 or 2003. The commercial properties have not sold. The index was developed by comparing the county's CAMA value to the actual cost of the structure which was provided by the owner. The commercial cost index for 2005 will be 1.50 compared to

1.48 in both 2004 and 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 2005. As of this newsletter, the residential depreciation tables for the 2005 valuation year are being worked on and it appears as though the tables will be unchanged. The commercial depreciation study will be done during August.

Commercial Cost Index History



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 2005 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:

$$\begin{aligned} \$264,000 / \$230,000 &= 1.147826 \text{ or an increase of } 14.78\% \\ \text{Time between the two sale dates} &= 34 \text{ months.} \\ \text{Monthly time trend} &= .1478 / 34 \text{ or } .0043 \\ \text{Annual time trend} &= .0043 \times 12 \text{ or } 5.2\% \end{aligned}$$

For 2005, 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 2005 will range from four (4) to ten percent.

MILITARY VEHICLE EXEMPTION

The 2004 Kansas Legislature made a significant change to the statutes dealing with military vehicle exemptions. The new statutory language does not include an exemption for a Kansas resident who is full-time military and whose permanent duty station is in Kansas.

Also an exemption is no longer available for those Kansas residents whose permanent duty station is located outside of Kansas. In order to qualify, they now must fit the definition of deployed. However, these Kansas residents stationed outside of the state may register their vehicles in the state of their permanent duty station without paying taxes under the Soldiers' and Sailors' Civil Relief Act.

The criteria for exemption as it now exists is:

1. The owner must be a Kansas resident.
2. The owner must be in the full-time regular military service of the United States.
3. The owner must be deployed on the date of application for motor vehicle registration.
4. The owner may receive the exemption for no more than two vehicles.

The exemption for resident military personnel who own recreational vehicles remains unchanged. The resident must be absent from Kansas due to military orders and the RV must be maintained outside of the state.

JOHNSON ELECTED IAAO VP

The results of the 2004 International Association of Assessing Officers' elections were recently announced and Marion R. Johnson, CAE, Douglas County Appraiser was elected as the new IAAO vice-president. Johnson will become president of the association in 2006. He will be sworn in as vice-president at the IAAO's annual conference the first week of September in Boston.

2004 SALES CONTINUE STRONG

During July a total of 417 sales questionnaires involving 443 parcels were worked by the appraiser's sales staff. That compares to 396 sales questionnaires in July of 2003 involving 451 parcels. For the year the office has worked 1,921 questionnaires involving 1,960 parcels compared to 1,870 questionnaires and 2,053 parcels for the same time period in 2003.

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 \$162,700 compared to \$161,700 in 2003, \$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 less than one 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 2004 is 98 percent compared to a sales ratio in 2003 and 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 192 new home sales so far in 2004 is \$238,800 compared to \$190,800 in 2003, \$197,100 in 2002, \$188,527 in 2001, \$176,975 in 2000 and \$154,288 in 1999. This represents a decrease of approximately 21 percent. The average selling price of a new home in 1998 was \$150,355.

On the commercial side a total of 26 sales have been recorded as valid open market transactions. The average sales ratio for the commercial sales thru the end of July is 88 percent compared to 96 percent in 2003 and 2002, 89 percent in 2001, 97 percent in 2000 and 91 percent in both 1999 and 1998.

AG USE LETTERS RETURNED

As of July 29 a total of 122 questionnaires had been received by the appraiser's office. Approximately 1,050 agricultural use questionnaires were mailed. The return rate currently stands at approximately 11.6 percent. If there are no changes, then property owners don't have to return the forms.

Staff has begun working the mailers and to date 80 had required some type of mapping change. A total of 42 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.

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 90 audit requests had been mailed and 27 companies had responded to the request for information. Work on the audits will begin in August.

In other personal property activity the staff has mailed out all the failure to file renditions. A total of 2,250 renditions were not filed by the filing deadline. Of that number 593 or 26.4 percent have been returned and filed with the office.

APPRAISAL OFFICE TIDBITS

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** To date the office has reinspected 5,107 parcels as part of the annual reinspection cycle.

** Staff has worked 655 building permits and 876 sales as of the date of this newsletter.

Appraisal Newsletter

September 1, 2004

Volume 8, Number 12

2003 STATEWIDE TAX DOLLARS, ASSESSED VALUE COMPARISONS

The Property Valuation Division of the Department of Revenue recently released a study comparing the 2003 tax dollars and assessed values statewide. In the area of taxes, real estate comprised 75.39 percent of the total taxes levied in 2003 compared to 74.40 percent in 2002. Taxes paid on urban real estate across the state amounted to 58.76 percent of the statewide total while rural real estate paid 16.63 percent of the tax total. Following is a breakdown of the statewide real estate taxes by property class:

Class	Total - 2003	%	Total - 2002	%
Res.	\$1,261,071,109	45.30	\$1,175,184,631	44.23
A-Land	183,373,258	6.59	184,306,932	6.94
Vac.	19,552,175	.70	19,053,604	.72
N-Pro.	6,199,575	.22	6,660,618	.25
C/I	605,652,828	21.76	569,513,683	21.43
A- Imp.	19,519,780	.70	18,864,961	.71
Other	3,341,445	.12	3,170,621	.12
Total	\$2,098,710,170	75.39	\$1,976,755,051	74.40

In the area of assessed value, real estate values represented 74.28 percent of the total compared to 72.94 percent in 2002. Urban real estate assessed values amounted to 56.91 percent of the total compared to 17.36 percent for rural real estate properties. Following is a breakdown of the statewide real estate assessed value by property class:

Class	Total - 2003	%	Total - 2002	%
Res.	\$10,821,273,257	45.08	\$10,091,871,744	43.72
A-Land	1,563,044,769	6.51	1,606,937,040	6.96
Vac.	158,666,893	.66	153,965,974	.67
N-Pro.	53,762,988	.22	57,679,609	.25
C/I	5,035,657,364	20.98	4,730,876,223	20.50
A-Imp.	170,040,987	.71	166,877,496	.72
Other	28,440,284	.12	27,644,605	.12
Total	\$17,830,886,542	74.28	\$16,835,852,691	72.94

The average county total levy in 2003 was 115.95 mills compared to 115.10 in 2002. The 2003 average urban levy was 121.18 and the average rural levy was 105.20. In 2002 the average urban levy was 121.30 and the average rural levy was 102.98.

PROPERTY TAX INTEREST RATES

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. In 2005 the interest rate that the county will pay on these funds will be (last year's are in parenthesis):

Payment under protest and equalization appeals - 3% (4%)
 Tax grievance/clerical errors ordered by BOTA - 3% (4%)
 Clerical error refunds ordered by the county - 5% (6%)

The interest rate that taxpayers will be charged for late payment of taxes will be 7% (8%) in 2005.

COUNTY IN COMPLIANCE FOR 2004

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 2004. PVD conducted the statistical and procedural compliance review during the first six (6) months of 2004.

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 5.6. The county's commercial COD was 13.1. To be in compliance both the residential and commercial COD must be under 20. The median ratio for residential sales was 97 percent and 95 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.

2004 SALES INFORMATION

During August a total of 319 sales questionnaires involving 393 parcels were worked by the appraiser's office. For the year the office has worked 2,240 questionnaires involving 2,451 parcels.

At the end of August the appraiser's staff had reviewed 1,274 valid residential sales. The average sale price for the residential sales is \$162,840 compared to \$161,700 in 2003, \$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 less than one percent. The current average sales ratio for residential property in 2004 is 98 percent compared to a sales ratio in 2003 and 2002 of 97percent, 97 percent in 2001, 94 percent in 2000 and 95 percent in 1999.

The average selling price on 248 new home sales so far in 2004 is \$232,570 compared to \$190,800 in 2003, \$197,100 in 2002, \$188,527 in 2001, \$176,975 in 2000 and \$154,288 in 1999. This represents a increase of approximately 22 percent.

On the commercial side a total of 34 valid sales have been recorded. The average sales ratio for the commercial sales is 91 percent compared to 96 percent in 2003 and 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 115 requests for information were mailed. Of that number 45 businesses have returned the requested information while 70 have not responded to date.

Twelve accounts have been audited to date. The appraised (market) value has increased \$15,865 while the assessed value has gone up \$3,965. This equates to approximately \$424.66 (\$3,965 x .107102) in actual tax dollars. This compares to \$17,427 in 2003, \$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 2004, for late filing of personal property renditions is \$1,492,265 compared to \$1,648,695 in 2003, \$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, excluding penalties, for 2004 is \$66,184,876 compared to \$71,305,550 in 2003 and \$72,288,724 in 2002, \$75,317,115 in 2001, and \$74,508,179 in 2000. This represents a decrease of \$5,120,674 or approximately 7.2 percent.

The personal property staff to date has mailed 2,250 failure to file notices. Of that number a total of 808 have been returned to the office or 36 percent.

PERSONAL PROPERTY CANVASS

Again this year members of the personal property staff during October will be conducting a field canvass of businesses in the county. The areas to be field reviewed this year will be Massachusetts Street in the City of Lawrence, North Lawrence and the City of Baldwin City.

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 36,513 compared to 35,870 this time a year ago. In 2002 there were 34,975 parcels with 34,360 in 2001. Of that number 78 percent (28,330 parcels) are located in urban areas while 22 percent (8,183 parcels) are in the rural area. A total of 26,154 parcels or 72 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	23,728	3,132	26,860
Farm with home site	20	1,484	1,504
Agricultural	68	2,211	2,279
Vacant lots	2,426	902	3,328
Commercial/Industrial	1,313	122	1,435
Exempt	744	310	1,054
Not-for-profit	6	0	6
Utility	21	19	40
Other	4	3	7
Total	28,330	8,183	36,513

ALBERS CERTIFIED TO TEACH

Dennis Albers, CMS, has been certified by the IAAO to teach mapping courses for the association.

Appraisal Newsletter

October 1, 2004

Volume 9, Number 1

NEWSLETTER STARTS 9TH YEAR

With this issue the county appraiser's *Appraisal Newsletter* is beginning its 9th 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.

2004 MID-YEAR RATIO STUDY

The Douglas County Appraiser's Office recently received the 2004 mid-year ratio study from the Division of Property Valuation, Department of Revenue in Topeka. For residential property the mid-year median ratio was 99.1 compared to 99.2 in 2003, 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 3.2 in 2003 and 2.6 at this same time in 2002. A total of 177 valid residential sales were used in the study. The final 2004 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 2004 mid-year sales ratio is 97.7 compared to 98.6 in 2003 and 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 2004 is 10.2 compared to 2.1 in 2003, 6.8 in 2002, 11.4 in 2001 and 13.2 in 2000. A total of 16 valid sales were used in the mid-year commercial study.

NEW SBOTA MEMBER APPOINTED

Kansas Governor Kathleen Sebelius recently appointed a third member to the Kansas State Board of Tax Appeals. The Board had been functioning with only two board members for the past several months. Appointed to the board was District Magistrate Judge Rebecca Crotty from Garden City. The appointment is for a four year term.

Crotty brings more than 25 years experience practicing law. She has served as a District Magistrate Judge since 1999. She is filling an attorney's position on the board. She received her undergraduate degree from the University of Kansas in

1972 and graduated with honors from the Washburn University School of Law in 1977.

REMODELING COSTS VS VALUE

A common question in the ad valorem appraisal sector is "How much does the cost of a remodeling project add in property value?" Homeowners are mostly interested in what the work will cost, when it will get started and how long it will take to complete. Appraisers on the other hand are trying to determine how much the remodeling investment will add to the market value of the property.

Return on the remodeling investment depends on the house itself, the value of similar homes in the immediate area and the rate property values are changing in the surrounding neighborhoods. Remodeling Magazine recently conducted a nationwide survey comparing 2003 remodeling costs to market value added. Three key observations from the study were:

- * Across all the remodeling projects studied, the average percentage of the remodeling cost recouped in value was 86.4 percent.
- * Lower priced projects exhibit a higher cost recovery rate than high priced projects.
- * Housing markets with strong price appreciation reported higher-than-average recovery costs.

Following is a chart showing some typical remodeling projects and their percentage of cost recovered in market value:

Remodeling Project	2003	2002
Siding Replacement	98.1 %	79.2 %
Bathroom Addition, mid-range	95.0 %	94.3 %
Bathroom Addition, up-scale	84.3 %	81.5 %
Bathroom Remodel., mid-range	89.3 %	87.5 %
Bathroom Remodel, up-scale	92.6 %	91.1 %
Window Replacement, mid-range	84.8 %	73.9 %
Window Replacement, up-scale	87.0 %	77.1 %
Family Room Addition	80.6 %	79.6 %
Kitchen Remodel, mid-range	74.9 %	66.7 %
Kitchen Remodel, up-scale	79.6 %	79.9 %
Basement Remodel	79.3 %	78.8 %
Bedroom Remodel, mid-range	76.4 %	75.2 %
Bedroom Remodel, up-scale	76.9 %	76.9 %
Deck Addition	104.2 %	*
Attic Bedroom Addition	92.8 %	*

* not included in the 2002 study.

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 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 2004 the county has paid out approximately \$3,100 in interest on property tax refunds compared to \$3,700 for the same time period in 2003, \$11,165.09 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.

UPDATE ON 2004 SBOTA CASES

To date this year there have been a total of 137 real estate cases filed with the State Board of Tax Appeals in Topeka. That number includes 106 cases filed with the small claims division and 31 filed with the regular division.

In the small claims cases, there have been 66 properties that received a no change in value and 25 properties received a value change. Six (6) cases were dismissed at the request of the taxpayer. Three (3) other cases have had a hearing and the county is still waiting on the results while six (6) cases have yet to be scheduled.

In the regular division there were 17 commercial cases filed so far in 2004 along with 14 residential cases. To date there has been very little action taken on these cases. Only one commercial case has been settled with the property owner receiving a reduction while only two (2) residential cases have been settled. One (1) case resulted in a reduction in value and one (1) case was dismissed at the request of the property owner. One other commercial case has had a hearing and the county is still waiting for the results. The remaining 27 cases have yet to be scheduled. There are also 45 cases from 2003 still pending at the board. A total of 15 residential cases have had

a hearing but no decision has been rendered. Another 14 commercial cases and 16 residential cases are still awaiting a hearing date.

In the area of tax grievances eight (8) have been filed in 2004. Four (4) of those cases have been dismissed at the request of the property owner and four (4) are still awaiting a board decision. A total of 51 exemption applications have been filed with the board and of that number 29 have been granted, five (5) were dismissed, 16 are still waiting a decision and one (1) has been scheduled for a hearing.

PERSONAL PROPERTY AUDITS BEGIN

Members of the personal property staff have been busy the past month conducting audits on several personal property accounts. This year the staff mailed out 139 requests for information. To date a total of 81 property owners have responded by mailing in their information.

A total of 74 accounts have been audited to date. The appraised (market) value has increased \$543,805 while the assessed value has gone up \$135,950. This equates to approximately \$14,560.52 ($135,950 \times .107102$) in actual tax dollars. In 2003 the audits generated \$17,427 in actual tax 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.

NEW KSCAMA BEHIND SCHEDULE

The migration from the current main frame CAMA system to the new windows based system continues, even though behind schedule. Several conversion attempts have taken place so far. The biggest area of concern with the conversion process at this point appears to be in the assessment administration area. To date there is no final date set for the final conversion of the data. At that time the county plans to run dual systems for a period of time.

2004 SALES CONTINUE STRONG

Thru September 25th the appraiser's office worked 224 sales questionnaires during the month involving 246 parcels. To date in 2004 the office has worked 2,464 questionnaires involving 2,695 parcels.

Included in the totals for the year were 1402 valid residential sales. The average selling price is \$164,700 compared to \$161,700 in 2003. This represents an increase of 1.9 percent. The current average sales ratio for residential property is 97 percent compared to 97 percent in 2003. A total of 267 sales of new residential properties have been worked with an average selling price of \$233,980. This compares to \$190,800 in 2003 or an increase of 22.6 percent. The average sales ratio on 38 commercial sales in 2004 stands at 90 percent.

Appraisal Newsletter

November 1, 2004

Volume 9, Number 2

FINAL REVIEW PROCESS BEGINS

The final review process to establish values as of January 1, 2005 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, 2005. 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 36,696 parcels that will have to be reviewed and valued. In 2003, the county had 35,853 parcels to review. The breakdown of parcels includes:

Type	Urban	Rural	Total
Residential	23,940	3,148	27,088
Farm with home site	20	1,494	1,514
Agricultural	71	2,232	2,303
Vacant lots	2,296	952	3,248
Commercial/Industrial	1,310	123	1,433
Exempt	749	308	1,057
Not-for-profit	6	0	6
Other	4	3	7
Utility	22	18	40
Total	28,418	8,278	36,696

New market values will be mailed to all Douglas County property owners by March 1, 2005. The projected average valuation increase for 2005 is between four (4) and six (6) percent for both residential and commercial properties.

2004 SALES DATA REPORTED

Thru October 21st the appraiser's office worked 165 sale questionnaires involving 204 parcels compared to 227 questionnaires in October of 2003. To date in 2004 the office has worked 2,629 sale questionnaires involving 2,899 parcels compared to 2,724 questionnaires and 2,956 parcels for the same time period in 2003.

Included in the totals were 1,483 valid residential sales. The average sale price for the residential sales is \$164,515 compared to \$161,700 in 2003, \$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 1.7 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 97 percent which is the same as 2003 & 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.

For residential property the average selling price per square foot

to date in 2004 is \$114.70. The lowest selling price per square foot for a residential property was \$31.19 and the highest price per square foot so far this year is \$317.86. The average number of bedrooms for the residential sale properties is 3.25 and the average number of plumbing fixtures per property is 9.5. The average square foot of living area for the sale properties is 1,565 square feet.

The average selling price on 287 newly constructed homes so far in 2004 is \$233,300 compared to \$190,800 in 2003, \$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 43 sales have been recorded as valid open market transactions. The average sales ratio for these 43 commercial sales is 91 percent. This compares to a commercial sales ratio of 96 % in 2003 & 2002, 89 % in 2001, 96 % in 2000 and 91 % in both 1999 and 1998.

2004 MILL LEVIES ESTABLISHED

Following is a list of some of the mill levies for 2004. The individual mill levies are used to establish the individual tax bills. The formula is: mill levy x the assessed value = taxes.

	2004	2003	2002	2001
Lawrence:				
Tax unit 041:	105.926	107.102	104.714	109.454
Tax unit 048:	106.777	108.017	105.666	110.407
Tax unit 051:	107.925	109.062	106.713	111.631
Tax unit 054:	107.525	108.741	106.348	111.248

Eudora:				
Tax unit 020:	118.097	115.745	116.096	109.089

Baldwin:				
Tax unit 001:	122.272	124.584	128.058	125.534

Lecompton:				
Tax unit 080:	99.399	97.610	98.180	98.331

2004 EFFECTIVE TAX RATES SET

The effective tax rates for 2004 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

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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 2004 effective tax rates to be used in the 2005 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 2005 valuation process:

Tax Unit	Commercial		Residential	
	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>
001 (Baldwin)	3.14	3.08	1.44	1.41
020 (Eudora)	2.89	2.95	1.33	1.36
041 (Lawrence)	2.68	2.65	1.23	1.22
048 (North Lawrence)	2.70	2.67	1.24	1.23
051 (Lawrence)	2.73	2.70	1.25	1.24
054 (Lawrence)	2.72	2.69	1.25	1.24
080 (Lecompton)	2.44	2.49	1.12	1.14

\$20,000 RESIDENTIAL EXEMPTION

The 2004 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 state-wide 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 2004 is \$1,298,809 compared to \$1,263,035 in 2003, \$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 2004 is \$64,940,455 compared to \$63,151,790 in 2003, \$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 2004 is 28,430 compared to 27,506 in 2003, 27,048 in 2002, 26,324 in 2001, 25,732 in 2000 and 25,011 in 1999. This represents an increase of 924 residential properties.

The maximum tax reduction for any one property in 2004 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 2004 tax roll show an increase of approximately 8.2 percent over the 2003 numbers. The final assessed value for 2004 is \$811,377,315 compared to \$750,079,245 in 2003, \$693,286,545 in 2002, \$644,097,060 in 2001 and \$585,509,265 in 2000. The final tax roll amount is up slightly from the 2004 certified amount of \$811,348,020 as of June 11.

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 2004 the late filing penalty is \$1,484,105 in assessed value which amounts to approximately \$157,200 in actual dollars. That compares to a late filing penalty in 2003 of \$1,613,585 in assessed value and approximately \$172,820 in actual dollars.

The 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 2004 stands at \$68,131,356 with penalties included and \$66,647,251 without penalties compared to \$72,431,425 with penalties a year ago at this time and \$70,817,840 without the late filing penalties. This represents a decline of almost six (6) percent in personal property value. 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 2004. To date 93 business owners have filed audit information to the appraiser's office. A total of 139 requests for information were mailed. The audits have resulted in an increase of \$557,960 in personal property market value and \$139,490 in assessed value. This equates to \$14,775.62 in actual tax dollars. In 2003 a total of \$17,427 on actual tax dollars were raised through the personal property audit process.

NOTES ABOUT THE STAFF

Cindy Spriggs has successfully completed another part of the Residential Mass Appraiser program for the State of Kansas. Cindy recently passed the residential case study examination. She is now working on the commercial case study. *Congratulations Cindy !!* Dennis Albers has been officially notified by the International Association of Assessing Officers that he is an instructor for courses 600 and 601 (mapping courses). *Congratulations Dennis !!*

Appraisal Newsletter

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2004 SALE DATA CONTINUES STRONG

During the month of November the appraiser's office worked 343 sale questionnaires involving 478 parcels. That number compares to only 264 questionnaires in November 2004 involving 330 parcels. The number of sales questionnaires worked to date in 2004 is 2972 compared to 2,988 for the same time period in 2003. The total number of parcels worked so far in 2004 stands at 3,377.

The average sale price in 2004 for residential property is \$165,620 compared to \$161,700 in 2003, \$148,800 in 2002, \$137,600 in 2001, \$132,500 in 2000 and \$125,903 in 1999. This represents an increase of 2.4 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 97 percent which is the same as 2003, 2002 and 2001. The sales ratio in 2000 was 94 percent. 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. However, since July 1 of this year the average sales ratio is 95 percent.

The average selling price on 321 new home sales so far in 2004 is \$233,300 compared to \$190,800 in 2003, \$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 \$230,150.

On the commercial side a total of 50 sales have been recorded as valid open market transactions. The average sales ratio for these commercial sales is 89 percent. This compares to 96 percent in 2003 and 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 2004 the City of Lawrence has issued a total of 2,212 building permits compared to 2,217 in 2003, 2,651 in 2002 and 2,842 in 2001. The busiest month to date was May with 276 permits issued followed by August with 257 and March with 250. The month with the smallest number of permits issued was February with 158 followed by January with 171.

There have been 210 building permits issued for single family residences through the end of October followed by 49 permits for duplex units. In 2003 there were 264 and 67 permits, respectively, issued through October. Permits had been issued

for three (3) apartment complexes that contained 102 living units. A total of 19 commercial building permits had been issued compared to 28 in 2003, 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 2005 property values began in November. To date, a total of 10,234 residential, agricultural and commercial parcels have been final reviewed, which is 28 percent of the total residential and agricultural parcel count of 37,000. The final review process is scheduled to be completed by January 31 of 2005. Change of value notices will be mailed to all county property owners by March 1, 2005.

CURRENT VALUATION BREAKDOWN

As of the end of November the current county real estate valuation for 2004 stands at \$811,389,805 compared to \$750,059,960 in 2003, \$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 2004 were \$84,940,395. The total amount of taxes exempt because of the \$20,000 residential exemption is \$1,298,947. Following is a breakdown in the percentage of taxes paid by property class in the county:

Property Class	Taxes	Percent of Total
Residential	\$56,772,146	67%
Commercial	\$22,267,904	26%
Farmstead	\$ 2,380,573	3%
Vacant	\$ 1,889,097	2%
Agricultural	\$ 1,560,954	2%
Other	\$ 21,571	0%
Not for profit	\$ 48,150	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 types of audits. A total of 139 audits were completed. These types of desk audits are done annually and are required the Property Valuation Division of the Department of Revenue. From the audits completed the market value for

personal property has increased \$800,325 while the assessed value has increased \$200,080. The amount of additional tax dollars raised through the audit process was \$21,194 compared to \$17,427 in 2003, \$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 11 businesses that were either new or previously had not been reporting. This number compares to 22 in 2003, 33 in 2002, 30 in 2001, 36 in 2000 and 32 in 1999.

2004 TOP 15 TAXPAYERS LISTED

Following is a list of the top real estate and personal property taxpayers in the county for the year 2004:

Real Estate:

1. Anderson & Baker (K-Mart Dist.)	\$461,259.20
2. Pine Ridge Plaza	\$344,259.50
3. Serologicals Corporation	\$280,596.10
4. H&S Holdings LLC (Law. Med. Plaza)	\$227,078.34
5. Dayton Hudson Corp.	\$223,731.60
6. Jefferson Commons	\$200,948.60
7. Raycal Ku LTD	\$182,676.36
8. Douglas County Dev. (NCS Office)	\$180,641.46
9. Wal-Mart	\$174,131.22
10. Douglas County Dev. (NCS Pearson)	\$166,071.66
11. Hallmark Cards. Inc.	\$158,910.20
12. Plaza Lawrence LLC (Home Depot)	\$158,639.54
13. Leslie Rudd (Standard Liquor)	\$154,260.04
14. Malls Investment Co.	\$153,878.72
15. GAD LC (Pinnacle Woods)	\$152,222.10

Personal Property:

1. Hallmark Cards.	\$397,730.42
2. Packerware	\$323,691.32
3. Astaris	\$243,164.48
4. World Company	\$220,542.70
5. Lawrence Paper Co.	\$215,012.84
6. NCS Pearson Inc.	\$188,055.32
7. De Monte Corp.	\$187,447.72
8. Amarr Garage Door Inc.	\$183,099.48
9. Schlumberger Tech Corp.	\$137,597.34
10. H P Pelzer Inc.	\$131,995.26
11. A P I Foils Inc.	\$ 68,557.94
12. K-Mart Corp. No. 8273	\$ 68,191.98
13. Allen Press Inc.	\$ 67,534.72
14. Farmland	\$ 62,501.94

UPDATE ON 2004 BOTA ACTIVITY

To date this year there have been a total of 239 cases filed from Douglas County with the State Board of Tax Appeals in

Topeka. That number includes 107 cases filed with the small claims division and 132 filed with the regular division.

In the small claims cases, there have been 67 properties that received no change in value, 24 properties that received a value reduction and seven (7) cases were dismissed at the request of the taxpayer. Three (3) cases have had hearings are waiting final action by the board and six (6) are waiting a hearing.

In the regular division involving real estate parcels there are 28 commercial cases and 22 residential appeals. On the commercial side only one (1) case been completed. That case resulted in a reduction in value. One case has been heard and is waiting board action while 26 cases are waiting to be scheduled for hearing. There are currently 14 commercial cases still waiting a hearing from 2003.

On the residential docket two (2) cases have been completed. Of the cases one (1) resulted in no change in value and one was dismissed. Twenty cases are waiting hearing dates. The board has 15 2003 cases that have been heard but are still waiting a final board decision and another 14 cases that have yet to be scheduled.

There have been 17 personal property cases filed. Three properties have had value reductions. A total of 56 exemption requests have been filed with board. Of that number 29 have been granted an exemption, five (5) were dismissed, 21 are waiting final determination and one is scheduled for a hearing.

EMPLOYEE SPOTLIGHT !!!!!

The spotlight this month falls on several employees. *Cindy Spriggs* has successfully completed all of her course work for the Registered Mass Appraisal (RMA) designation from the State of Kansas. She has submitted her experience requirements to the state and should be receiving her designation in the near future. *Great Job Cindy!!! Kris Sample*, a field appraiser in the office has successfully completed IAAO Course 101 and he will be taking IAAO Course 102 this week. *Good Job Kris!!!*

Next, we would like to recognize *Malinda Grier* and *Jane Webster*, who work in the real estate section. Both have had to pick up extra work due to another employee in the section being out of the office off and on this past month for family health problems. Secondly, we would like to recognize *Dennis Albers*, *Diane Kreider* and *Kim Burns* for their work in helping to keep the filing of real estate records on schedule. Without their help we would be buried in paper. *Great Job All!!!*