



# Appraisal Newsletter

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County Appraiser

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## CHANGE OF VALUE NOTICES

The 2023 change of value notices were mailed to Douglas County real property owners on Tuesday, February 28. Property owners wanting to contest their value will need to fill out the appeal request form on the back of the change of value notice and return it to this office no later than Thursday, March 30 at 5 p.m. to request an informal meeting with the appraiser's office. Informal meetings will begin the week of March 20. Most of the hearings will be conducted by telephone. The Appraiser's Office will contact appellants at an appointed time. Documentation should be provided prior to the meeting, by US Postal mail or email to [appeals@douglascountyks.org](mailto:appeals@douglascountyks.org). The number of informal meetings held in the spring of 2022 was 1,981 compared to 499 in 2021.

## VALUATION SUMMARY

The total real estate assessed valuation for 2023 as of February 20 was \$1,786,938,121 compared to \$1,635,117,306 the same time in 2022. This represents an increase of \$151,820,815, approximately 9.3 percent. Some of the increase was due to new construction, reclassifying properties and an increase in the agricultural use values. But a lot of it was due to the market changes that have occurred over the past year. The assessed value was \$1,431,789,406 in 2021; \$1,393,777,447 in 2020; \$1,333,706,703 in 2019; \$1,261,443,540 in 2018; \$1,197,878,064 in 2017; \$1,121,055,020 for 2016; \$1,080,475,303 in 2015; \$1,046,928,664 in 2014; \$1,024,482,341 in 2013.

Following is a breakdown of the property assessed values by class for 2023 vs. 2022:

Property Class	2023 As'd Value	2022 As'd Value
Residential	\$1,289,400,938	\$1,175,572,109
Farmstead	\$63,186,027	\$56,467,333
Vacant	\$18,990,993	\$18,843,210
Agricultural	\$27,965,927	\$26,121,517
Commercial	\$386,872,696	\$357,662,733
Not for Profit	\$517,619	\$474,654

Property Class	2023 As'd Value	2022 As'd Value
Other	\$16,911	\$18,420
Exempt dams	-\$12,990	-\$12,670
Total	\$1,786,938,121	\$1,635,117,306

Based on past experience, the county can expect to see the real estate valuation decrease up to one percent during the informal and formal hearing processes. The 2022 valuation has dropped by about 0.50% to \$1,626,626,807. The informal hearings are those 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.

The real estate assessed valuation is only a portion of the taxable valuation on which the mill levies are calculated. The state assessed valuation and personal property valuations have an impact on the total valuation. Typically, the personal property tends to decline from year to year.

## PERSONAL PROPERTY REPORTING

The deadline to file 2023 personal property renditions is Wednesday, March 15, 2023 at 5 p.m. Oil and gas renditions must be filed on or before April 1, 2023. To date, approximately 3,049 or almost 44 percent of the 6,955 accounts have been returned to the appraiser's office. About 3,906 renditions are still outstanding. 42 oil and gas renditions representing 137 accounts have been mailed to producers and owners. To date, we have received two (2) of those completed oil and gas forms.

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. The Appraiser's Office will send letters to those who have not filed reminding them to avoid unnecessary penalties by returning the rendition.

## 2023 SALE INFORMATION REPORTED

The appraiser's office has already begun tracking the new 2023 sales in the county. The number of sales validation questionnaires worked by the appraisal staff since January 1 is

82 which involved 98 parcels. This number of sales is down but sale prices are up when compared to 2022 when 200 sale questionnaires involving 288 parcels were worked during the same time frame.

The average sale price for the valid residential sales to this time in 2023 is \$308,163 compared to \$291,178 for the same timeframe in 2022. The average sale price is an indicator of the types or price ranges of the homes that sold and not necessarily an indicator of sale price trends. In 2021 the average sale price was \$243,115; \$222,720 in 2020; \$241,613 in 2019; \$258,596 in 2018; \$215,046 in 2017; \$196,350 in 2016; \$188,176 in 2015; \$198,400 in 2014; \$185,840 in 2013; \$179,660 in 2012.

### ***FAIR MARKET VALUE***

The Kansas statutes state that all taxable properties are to be valued for ad valorem tax purposes at “fair market value”. But what exactly is fair market value? Often times it is loosely translated as the price at which something will sell for. However, that translation does not go far enough. The actual sale price, or what was paid for the property, may not truly be the fair market value. The “actual selling price” is the observed selling price represented by cash or the equivalent units in a transaction. Only when that transaction meets the requirements of a market value exchange can that actual selling price also represent the fair market value. K.S.A. 79-503a states that “*Fair market value*’ means the amount in terms of money that a well-informed buyer is justified in paying and a well-informed seller is justified in accepting for property in an open and competitive market, assuming that the parties are acting without undue compulsion”. Another definition of fair market value that mass appraisal recognizes is “The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus”. Sales that have resulted from the foreclosure process, either purchases from a bank or an owner facing foreclosure, fall into the category of being “affected by undue stimulus”. If not for the pressure to remove the REO from the banks inventory or the owner facing foreclosure complications, the property would most likely sell at a price similar to its neighbors not similarly affected; it’s true fair market value. In mass appraisal for ad valorem purposes, market value is a conclusion derived from observing a number of arm’s length sales. The actual sale price is a fact about one particular property that may or may not reflect the fair market value for that or similar properties.

### ***VALUATION APPEALS***

One of the procedures that allows a property owner to voice disagreement with the valuation the county has arrived at as of January 1 of each year is the informal meeting with the County Appraiser’s staff. This does require the filing of forms in order to document the request and related actions. During this meeting, the appraiser will explain the appraisal process and

review the characteristics of the property. Additionally, they will explain the method and reasoning that went into the selection of the value in question. The property owner also has the opportunity to point out differences in the characteristics, suggest other comparable sales or pertinent evidence and gain a better understanding of the process.

For the past several years, the number of informal meetings has held steady at around 3-5 per cent of the total parcel count in the county. For the 2022 tax year, there have been 2,331 informal meetings (including PUP) scheduled or approximately 5.6 percent of the total population. Of those, 1,498 received some form of adjustment, 813 were not changed and 20 are awaiting final decisions. The latter ones are Payment Under Protest applications filed after the first half of the taxes were paid recently.

This year, informal meetings may begin as early as March 20. We are obligated by statute to make any decisions on those meetings no later than May 20. Typically, we will make every effort to notify owners of a decision on their property within two to three weeks after the actual meeting date. However, there may be some that require more time to reconcile. It is anticipated that most of the meetings will be by telephone. However, if an owner insists, arrangements may be made to meet in person, under current pandemic requirements. Property owners may contact the Appraisers Office for documentation or assistance in preparing for their meeting.

### ***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 2023 valuation year is approximately \$275,000 compared to \$247,500 in 2022; \$205,900 in 2021; \$199,800 in 2020; \$186,800 for 2019; \$176,700 for 2018; \$169,400 in 2017; \$165,000 in 2016; \$161,300 in 2015; \$159,200 in 2014; \$157,000 in 2013. The median residential market values for the cities in Douglas County are listed below:

<i>Cities</i>	<i>Median market value</i>	<i>2022 Median</i>
Baldwin	\$232,900	\$215,400
Eudora	\$245,100	\$212,500
Lecompton	\$162,500	\$158,525
Lawrence	\$272,000	\$245,100
Rural	\$347,150	\$335,000

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

<i>School district</i>	<i>Median value</i>	<i>2022 Median</i>
U.S.D 497 (Lawrence)	\$276,500	\$249,135
U.S.D. 491 (Eudora)	\$260,100	\$225,530
U.S.D. 348 (Baldwin)	\$276,490	\$247,605
U.S.D. 343(Lecompton)	\$292,500	\$283,645