



# Appraisal Newsletter

## Douglas County Kansas

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### 2012 FINAL REVIEW NEAR FINISH

The initial phase of the final review process for estimating 2012 values should be completed by Friday, February 10. A total of 39,785 properties will have been reviewed and valued by county staff. This is only counting primary parcel class values whereas prior to 2010 the totals included parcels with multiple classes (i.e., residential and commercial class on a single parcel). In 2011, the staff reviewed 39,705 parcels, 39,641 in 2010, 40,151 in 2009, 39,830 in 2008, 38,967 in 2007, 38,109 in 2006, 37,557 in 2005, 35,911 in 2004, 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 primary property classification:

Type	Urban	Rural	Total
Residential	26,660	2,925	29,590
Farm with home site	269	1,395	1,664
Agricultural	702	2,265	2,967
Vacant lots	2,247	623	2,871
Commercial/Industrial	1,392	111	1,503
Exempt	849	290	1,139
Not for profit	11	0	11
Other	3	2	5
Utility	22	19	41
Totals	32,155	7,630	39,785

### “CVNS” TO BE MAILED FEB. 29

Change of value notices will be mailed by Wednesday, February 29. The county will be using a similar notice as in previous years which will feature last year's value and the new value. On the back of the notice will be the appeal form that property owners can use to appeal their value should they disagree with the value assigned by the appraiser's office.

Values for residential properties in 2012 may show some decline. *Approximately 76 % of the residential properties will see their value stay the same or decline in value for 2012.*

Following is a summary of value changes for residential parcels:

Value decline greater than -5.0%	2,910
-2.00% to -4.99% decline	7,804
-.01 to -1.99% decline	8,518
No change in value	2,485

+0.1 to 2.00% increase	3,618
2.01 to 4.99% increase	2,085
5.00% or greater increase	1,083

Reasons for values going up include but would not be limited to, recent sales or improvements and additions to existing structures.

Commercial Final Review has gotten off to a slow start as we analyzed as much data and information as possible. The result is showing a very minor decrease in total commercial value for properties valued so far.

The deadline to request an informal hearing will be Friday, March 30 at 5 p.m. Informal hearings are set to begin the week of March 19. The annual market study analysis for 2012 will be published the week of February 6 and will be available for review in the appraiser's office. This publication is required by state statute K.S.A. 79-1460a.

### OVERALL VALUES LOWER

With final review 85% complete the overall value outlook shows a decline in value. The current values show approximately a 1.0% decrease from 2011 for those parcels completed. This includes those parcels that have had new construction on them in the form of new or completed improvements, primarily new structures. Looking at only those parcels that did not have a structure added in 2011, the decrease is 1.5%. With the majority of commercial properties yet to be valued as well as the agricultural values, we may yet see a larger decline in the overall county values.

Typically we see the overall valuation decline another 1% through the year as result of the hearing process. This past year the value has declined 0.75% since last March when valuation notices were mailed.

This percentage could change by the time the change of value notices are mailed as we complete the last values and then conduct quality control.

## **2011 BUILDING PERMIT NUMBERS**

Only 95 single family building permits were issued in the City of Lawrence during 2011 compared to 146 in 2010, 110 in 2009, 102 in 2008, 166 in 2007 and 246 in 2006. Four (4) new duplex permits and two (2) four-plex permits were issued by Lawrence. The number of multi-family permits issued in the City of Lawrence was 17 involving 355 living units. There were fifteen (15) commercial building permits issued in Lawrence last year.

In Eudora there were three (3) new home permits and 1 commercial permit issued throughout 2011. All other permits were for additions or remodeling to existing structures

## **PERSONAL PROPERTY RENDITIONS**

The personal property staff has been busy in January working the 2012 personal property renditions. Approximately 8,600 renditions were mailed at the end of December. As of February 1, a total of 2,061 renditions had been returned to the appraiser's office. This represents almost 24 percent of the mailed renditions. Several accounts no longer have taxable assets due to the current exemption guidelines for personal property. These accounts have been canceled although they may have initially been sent a rendition form. During February the office will mail approximately 150 oil and gas renditions. The office has not yet received the 2012 per barrel prices for oil from the Division of Property Valuation, Department of Revenue.

The filing deadline for the personal property renditions is Thursday, March 15 at 5 p.m.. The filing deadline for oil and gas renditions is Monday, April 2. 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 2012 AG USE VALUES POSTED**

The Kansas Constitution requires agricultural land to be valued based on the use and its income or productivity potential. The new agricultural use values for 2012 have been received by the appraiser's office. The values are developed by the Division of Property Valuation of the Department of Revenue and Kansas State University.

Of the three classes of agricultural use, dry land, tame grass and native grass, the grasses showed a slight decline in value per acre while the dry land values per acre increased. The value of agricultural use land in the county, all three types, had an increase in total value from 2011 to 2012 of approximately 5.9 percent. Following is a breakdown of the agricultural (land only) parcels:

<b>Decrease in value:</b>	<b>2,069</b>
<b>Increase in value:</b>	<b>2,199</b>
<b>Same value:</b>	<b>347</b>

## **APPEALS DURING 2011**

All taxpayers have the right to question the valuation of their property once per tax year as stated in K.S.A. 79-1448 and 79-2005. The first step in an appeal is the informal meeting with the appraiser. There are 1,582 parcels that had an informal meeting on the 2011 valuation. Following is the breakdown of the resulting actions of those meetings:

No Change	637	40%
Adjusted	646	41%
Awaiting decision	269	17%
Canceled or dismissed	33	2%

Those awaiting decisions are the Payment Under Protests recently filed through the Treasurer's office at the end of the year. If the decision from the informal meeting is not satisfactory, an appeal can be continued to the Kansas Court of Tax Appeals. Approximately 15% or 240 of the earlier appeals were taken on. Here is a breakdown of those higher appeals:

No Change	89	37%
Adjusted	61	25%
Awaiting decision	81	34%
Dismissed	9	4%

## **DISTRESSED SALES**

Sales of properties that suffer from distress have been cropping up in the recent payment under protest hearings. Distressed sales are those that are undergoing some type of forced action that is not part of the typical motivation to sell. This might include foreclosure, divorce, death or relocation. Lately foreclosed properties have come on the market. The appraiser's office does not consider most of these to be true, valid, arms length transactions. In most cases they are being offered by some type of lending agency that is most interested in covering the unpaid mortgage and not deriving a true value. They often will agree to a much lower value than would be normal. Several examples have been seen recently where a distressed property was purchased for considerably below the market; the new owner cleaned and did minor repairs and resold it for very near the original county valuation. In some instances the second sale price was nearly double the first. The county appraiser sees this as evidence that sales resulting from foreclosure action are not indicative of the true market value.