

Approved On: _____

Minutes of the House Committee on Taxation. The meeting was called to order by E. C. Rolfs, Chairman, at 9:00 a.m. on January 26, 1988 in room 519 South at the Capitol of the State of Kansas.

The following members were absent (excused):

Representatives Aylward and Vancrum

Committee staff present:

Tom Severn, Legislative Research
Chris Courtright, Legislative Research
Don Hayward, Reviser of Statutes
Millie Foose, Committee Secretary

The meeting was called to order by the Chairman. He stated the purpose of the meeting was consideration of the Property Tax Appeals Process as it related to reappraisal. (Attachment 1)

Terry Hamblin, Director of Property Valuation, explained the review process which had been undertaken and introduced Harold Krause, Chairman of the Reappraisal Advisory Subcommittee on Appeals.

Mr. Krause explained that the principles behind the committee work had been to retain local input and control of the appeals process. He explained the history of the committee work and went over its decisions which had been made. (Attachments 2 and 3)

George Donatello, Reappraisal Coordinator, explained the proposed reappraisal process in detail. (Attachment 4 and 5) He answered a variety of questions from the committee.

The Chairman asked that PVD provide the committee with a written report on the policy impacts of passing nothing, concurring with the Senate amendments to HB-2338 and passage of HB-2702. He stated the report would be ready for the committee by the end of the week.

The minutes of January 25, 1988 were presented and were approved as presented. There being no further business, the meeting was adjourned.



E. C. Rolfs, Chairman

WHAT IS USE VALUE?

USE VALUE APPRAISAL of agricultural land in Kansas is a procedure used to value land for ad valorem tax purposes, as defined specifically by the Kansas Legislature. The value of the land is based on the productive potential directly attributed to the natural capabilities of the land.

The basis for determining agricultural income is the net income a landlord could expect to receive from each of the different productivity groups established within each county in Kansas. This is known as the "Landlord's Share Concept."

WHY USE THE LANDLORD'S SHARE CONCEPT?

The appraisal of agricultural land based on a Use Value or "income approach" to determine the net income of each productivity group can be done in two ways. These are the Owner-Operator Income and Expense Statement and the Landlord's Income and Expense Statement.

The analysis of an owner-operator income and expense statement is complex and time-consuming. It is often difficult to separate the income received from agricultural land and the income received from non-real estate operations or the farming business. It is also difficult to take into consideration differences in management practices.

On the other hand, the landlord's income and expense statement for agricultural land is based entirely on the land's natural production capability. It is not related to any income received from other farm enterprises. Crop share rental agreements or cash rent paid for pasture or rangeland clearly define and identify that income as coming from the land. Thus processing net rental income received by the landlord requires fewer assumptions and is much more objective than the detailed analysis of an owner-operator income and expense statement.

In addition, the landlord's share concept is generally accepted by lending institutions, easily understood by investors and operators, and directly relates value *only* to the productive capability of the agricultural land.

Kansas Senate Bill 164, based on these considerations, specifies that the landlord's share of the net income shall be used as the basis for determining agricultural income from the land.

HOW ARE THE DIFFERENT LAND CLASSES IDENTIFIED?

The United States Department of Agriculture's Soil Conservation Service relates all soil types to eight (8) major land capability classes. In addition, each major land class has four subclasses; raising the possibility of a total of 32 different land capability classes. The majority of real estate appraisers are *not* soil scientists and do not have the ability to determine the different land capability subclasses.

Therefore, the Kansas Department of Revenue and the Soil Conservation Service developed a system of identification that is easy to understand and explain. This system associates the various soil types with the crop production capabilities in each county in Kansas. Those soil types having similar crop production capabilities are placed into one of several groups.

Rangeland and pasture land are identified in much the same way. The Soil Conservation Service has grouped the various soil types in each county into range sites based on the stocking rate or "carrying capacity" for each range site.

These procedures enable county appraisers and/or their agents to properly identify the land class based on its productive capability.

An additional step requires that appraisers identify the "current use" of the land—whether it is being used for crop production or pasture.



WHAT THINGS ARE CONSIDERED WHEN ESTIMATING USE VALUE?

There are several factors considered by appraisers in determining the landlord's share of net income for each of the various land productivity groups. The following procedures represent accepted appraisal practices in use:

1. Determine the typical cropping practice.
2. Calculate the commodity price paid for the various commodities—averaged over the past eight years.
3. Establish the typical production level for the major crops common to the area *and* average production levels over the past eight years.
4. Determine the typical landlord expenses for the various crops grown on the different land productivity groups—averaged over the past eight years.
5. Establish the gross cash rent paid for rangeland and pasture land—average over the past eight years.
6. Determine typical landlord expenses for rangeland and/or pasture land—averaged over the past eight years.
7. "Capitalize into value" the estimated landlord's share of net income. This is done for each land productivity group that is identified on each individual's property.

HOW IS A TYPICAL CROPPING PRACTICE DETERMINED?

This is done on the basis of the major crops grown and harvested in each county in Kansas. It is not possible to analyze each and every farm operation to determine each individual's cropping practice—and cropping practices can change from year to year.

To determine the major crops grown—and the typical cropping practices in each county, appraisers determine the total acres harvested of all crops grown. These major crops are then "weighted" according to their importance. The percentage weight established for the major crops also will be used to weight gross income and expenses.

This procedure reflects the typical cropping practices in each county and eliminates consideration of *only* high or low dollar crops.

DO NOT SELL ALL OF MY CROPS AT THE SAME TIME. HOW DOES THE APPRAISAL PROCESS ACCOUNT FOR THAT?

It is an accepted fact that all producers do not sell their commodities at the same time, electing to carry-over part of the crop from one year to the next.

To account for this practice, appraisers weight the mid-month price for a particular commodity by the percentage of the crop sold each month within the crop reporting districts. The mid-month price paid—multiplied by the percentage of crop sold in each month—will produce the weighted price for that crop for that year. This will reflect the actual cash into a particular crop reporting district for *each* crop. This "weighted" yearly price paid for each crop will be averaged over an eight-year period.

Because the appraisal process estimates the typical gross income that a particular acre of land is capable of producing—assuming an average level of management—the amount of crop carried-over will not affect the end result.

HOW ARE THE PRODUCTION LEVELS DETERMINED?

Yield data for various crops in each county are available from several published sources. The majority of this crop-yield information is based on county-wide averages, but county appraisers must relate crop yields to specific soils with known production capabilities.

While the published crop yield data can be used as a benchmark, the most reliable information on typical yields in a county comes from interviews with local owners and operators.

It is important to remember that appraisers will establish median levels of production—not high or low extremes.



PRODUCTION EXPENSES ARE DIFFERENT FOR VARIOUS CROPS. IS THIS TAKEN INTO ACCOUNT?

The landlord's share of expenses will be established for each of the major crops common to each county. The landlord's share of expenses associated with producing a particular crop on a specified class of soil will be based on an eight-year average of those expenses. These expenses also will be weighted in the same manner as income is weighted.

For appraisal purposes, expenses shall mean those costs typically incurred in producing crops common to the area. This will include management fees, direct production costs, maintenance and depreciation of stock watering facilities located on rangeland and/or pasture land, maintenance and depreciation of irrigation equipment, and real estate taxes.

Expenses *do not* include those costs incurred in providing temporary or permanent buildings used in the production of those crops common to the area.

HOW WILL RANGELAND AND PASTURE LAND BE VALUED?

Rangeland and pasture land will be valued based on the productive capability of the land—recognizing that the major crop is grass. Of course, all grassland is not capable of producing the same amount of forage—again depending on the type of soil. The USDA's Soil Conservation Service has identified the various range sites in each county in Kansas based on the production capability of the several soil types.

The SCS also has established the carrying capacity of the various range sites based on a stocking rate of Animal Unit Months Per Acre. The Animal Unit Month provides a unit of comparison between two properties that may have different forage production capabilities per acre of land.

After the rangeland or pasture land has been identified and classified, the appraiser determines a gross rental rate based on "dollars per animal unit month." This procedure requires that appraisers obtain rental income information from the actual experiences of owners and operators over the past eight years and determine an eight-year average of gross rent paid. In the same manner, the appropriate expenses for grassland production are determined and averaged for an eight-year period—these

averaged expenses are deducted from the averaged gross income, leaving the net income per acre. The net income per acre is then "capitalized into value" by the appraiser.

WHAT IS MEANT BY "CAPITALIZED INTO VALUE"?

Capitalization of income reflects the relationship between annual net earnings from a property and the value of that property. For example, if you had \$50.00 deposited in a bank and you received an annual dividend—or income—of \$5.00 from that \$50.00 "property", you would have earned annual income at an interest rate of 10 percent.

On the other hand, you or an appraiser can determine the earned net income from an acre of agricultural land, but the value of the land is unknown. To determine that value, the net income is divided by the interest or capitalization rate selected. The rate establishes the relationship between net earnings and the value of the property. This is usually expressed as a percentage which is called the capitalization rate. It is important to remember that the lower the interest or capitalization rate, the higher the value of the property. An illustration:

Net Income Received	Capitalization Rate	Value
\$50.00 per acre	5%	= \$1,000 per acre
\$50.00 per acre	10%	= \$500 per acre

The capitalization rate used in the use value appraisal of agricultural land is based on a prescribed formula established by the Kansas Legislature and set forth in Senate Bill 164. The formula is:

"Net income for every land class within each county or homogeneous region shall be capitalized at a rate to be determined to be the sum of the contract rate of interest on new Federal Land Bank loans in Kansas on July 1 of each year, averaged over a five-year period which includes the five years immediately preceding the calendar year which immediately precedes the year of valuation, plus a percentage not less than .75 percent nor more than 2.75 percent as determined by the Director of Property Valuation."

The five-year period will include the years 1983 through 1987.

WHO WILL ESTABLISH THE VALUE OF AGRICULTURAL LAND IN KANSAS?

By legislation the Division of Property Valuation is required to make a determination of value for each of the various Productivity Groups of soils found in each county and/or homogeneous region and to furnish those values to each county appraiser.

However, it is important to note that the values determined by the Division of Property Valuation will assume normal conditions relating to all of the various Productivity Groups. Adverse influences that may affect some individual tracts of land, such as frequent flooding, canopy cover on grass, etc. must be identified and accounted for by the appraisal contractor or county appraiser. If the adverse influence is severe enough to affect the productive capability of the land, an adjustment in value should be made by the appraiser.

The identification process and adjustments in the value of agricultural land, if any, are the responsibility of the appraisal contractor and/or the county appraiser.

QUESTIONS and ANSWERS about USE VALUE APPRAISAL of AGRICULTURAL LAND in KANSAS



REAPPRAISAL HEARING PROCESS

The reappraisal hearing and appeals process will officially begin on January 1, 1989, after which date the new reappraised values are to be used. The county appraiser will notify property owners of the new values by a Change of Value Notice (CVN). All CVN's must be mailed to the property owner of record by March 1. (K.S.A. 79-1460)

The method of distributing CVN's to property owners is the county appraiser's option (by area, zip code, date, etc.), but the general form and content will be prescribed by the Director of the Division of Property Valuation (PVD). Included with each CVN will be the appraised and assessed values of the land and improvements of each class of property on the parcel, a brief explanation of the notice, who to contact about questions, and a condensed outline of the appeal procedures that the property owner must follow (K.S.A. 79-1460). It will be clearly stated in the notice that each step in the county's informal and formal appeals process must be followed if the appeal is to be continued. These procedures will be prescribed by PVD and will be published in a booklet or brochure for distribution by each county.

Property owners must attend an informal meeting with the county appraiser as a prerequisite to formally appealing a CVN (K.S.A. 79-1448). The appraiser will verify the time and date of the informal meeting in writing and provide guidelines on the type of information the property owner should bring to the meeting.

If the property owner must be represented by an attorney, the county appraiser is to be notified before the meeting, and an authorization form must be completed and turned in at the time the appeal is presented. If the property owner will be accompanying their attorney at the hearing, prior notification is required but an authorization form is not necessary.

The informal meetings will be conducted in open session by the county appraiser and must be completed by April 1. During this time the county appraiser has the ability to make any changes deemed appropriate to the reappraised values as long as the property owner is properly notified of the final value which will be placed on the assessment roll.

At the time of the informal meeting, the county appraiser will supply a PVD-prescribed form to be completed by the property owner which will provide basic information about the property and the reason for the meeting. After the informal meeting is completed, the county appraiser will notify the property owner of the results of the meeting in writing and will also notify the county clerk of the date the results were mailed.

All property owners intending to formally appeal must have first met informally with the county appraiser. Each step in the county's appeals process must be followed. If property owners are not satisfied with the results of the informal meeting with the county appraiser,

they have 7 days from receipt of the results to file a formal appeal with the county clerk (K.S.A. 79-1603). At the time the appeal is filed, the property owner must complete a PVD-prescribed appeal form. Commercial/industrial appeals must contain income and expense information on the prescribed form from the property owner before being considered for hearing. The county clerk will notify the property owner and county appraiser of the time and date of the formal hearing (K.S.A. 79-1606).

At the formal meeting with the hearing officer/panel (HOP), the property owner must be prepared to justify their appeal following established rules, regulations and guidelines that will be prescribed by PVD. After the informal meeting it will be presumed that the county appraiser's reappraised value is correct, and the burden to prove the contrary will be with the property owner.

If the property owner is to be represented by an attorney, the county clerk must be notified before the hearing, and an authorization form must be completed and turned in at the time the appeal is presented. If the property owner will be accompanying their attorney to the hearing, prior notification is required, but an authorization form is not necessary.

All formal hearings will be conducted in open session with the property owner, their attorney, if any, county appraiser, county counsel, hearing officer/panel members, secretary to the panel if any, board members, clerk to the board, or other representatives of the county present.

The formal hearing process begins with a hearing before a hearing officer/panel(s) (HOP) if the county chooses to appoint one or more (K.S.A. 79-1602). The panel(s) would consist of no more than three members appointed by the County Commission. All HOP members must be county residents who have been certified to serve by PVD. Certification will be acquired by attending and successfully completing an examination at the conclusion of an educational seminar developed and sponsored by PVD. The sessions will in part discuss the legal and procedural aspects of the reappraisal process and will be held in several locations across the state prior to the beginning of the appeals process. Members must be recertified by PVD every two years according to standards of recertification which will be established by PVD.

County commissioners may serve as HOP members if they are certified. If county commissioners choose to serve as HOP members, they must still fulfill their obligations at the next level in the appeal process as members of the Board of Equalization (BOE); however, commissioners must excuse themselves from hearing any appeal on a decision made at the HOP level in which they participated. Therefore, no more than one commissioner should participate in any one appeal at the HOP level.

No one who has performed an appraisal of any real property, the valuation of which is to be appealed to the BOE, shall be eligible to serve as an officer or a member of the hearing panel that will hear the

appeal on that property (K.S.A. 9-1602 last paragraph). HOP's will be appointed to a two year term beginning January 9, 1989, and may be removed at any time by a majority vote of the county commissioners. If members are to be compensated for serving, it is the county commission's responsibility to establish rates of pay. Furthermore, it is requested that the legislature authorize any county appointing HOP'S to exceed the general fund levy and tax lid limitation by an amount not to exceed the related costs of such assistants, hearing officers or panels. County commissioners who become certified and choose to serve as HOP members are entitled to the same rate of compensation as other members (K.S.A. 79-1607).

It is the HOP's duty to hear evidence from the property owner and the county appraiser then make a decision based solely on the facts and evidence presented at the hearing. The method of recording what transpired at the HOP appeal is at the discretion of the county clerk.

If no change is made to the appraiser's reappraised value, the county clerk will notify the property owner and county appraiser within 5 days after the hearing. All notices must be issued in writing by the county clerk.

If a change in the appraiser's reappraised value is made, a copy of the change must be submitted to the county appraiser and to PVD within 5 days of the decision (K.S.A. 79-1606 pursuant to 79-1610). If justification of the change is sufficient, PVD will approve it and notify the county. The county clerk will notify the property owner and county appraiser within 5 days of the notice. If the change in value is not justified as determined by PVD, the Director shall order reinstatement of the appraiser's value, and the county clerk will notify the property owner and county appraiser within 5 days of the notice.

If the property owner or county appraiser is not satisfied with the results of the HOP hearing, they have 7 days from receipt of the results to file with the county clerk for a formal hearing with the BOE (K.S.A. 79-1606). The county appraiser has the same appeal rights as the property owner and may appeal to the next level if there is disagreement with a decision at the HOP level. All HOP hearings must be completed by May 15. The Director of Property Valuation may extend the completion deadline of these hearings if necessary (K.S.A. 79-1606).

The county clerk will notify the property owner and county appraiser of the time and date of the next formal hearing with the BOE. The same rules and procedures followed at the HOP hearings will be observed at BOE proceedings. No additional information can accompany an appeal at the BOE level unless the documentation was requested by the county (K.S.A. 79-1606). County commissioners sitting as BOE members are strongly urged to attend PVD-sponsored training sessions. If a county chooses to by-pass the HOP level, it is required that at least one BOE member comply with the training and certification requirements of HOP's.

If no change is made to the appraiser's reappraised value, the county clerk will notify the property owner and county appraiser within 5 days after the hearing (79-1606). All notices must be issued in writing by the county clerk.

If a change in the county appraiser's reappraised value is made at the BOE level, a copy of the change is to be submitted to PVD and the county appraiser within 5 days of the decision (K.S.A. 79-1481). If justification of the change in value is sufficient, PVD will approve the change and notify the county clerk who will notify the property owner and county appraiser within 5 days of the notice. If the change in value is not justified as determined by PVD, the director shall order reinstatement of the appraiser's value (K.S.A. 79-1481). Any party aggrieved by the director's order may within 30 days appeal the order to the State Board of Tax Appeals. The county clerk will notify the property owner and county appraiser of the decision in writing within 5 days of the notice. All county BOE hearings must be completed by June 15, although the Director of Property Valuation may extend this deadline when necessary.

Payment under protest allows due process for property owners. If the appeal deadline is missed because of improper notification, property owners can pay their taxes under protest and then proceed through the appeal process the next year.

APPEAL CALENDAR 1989

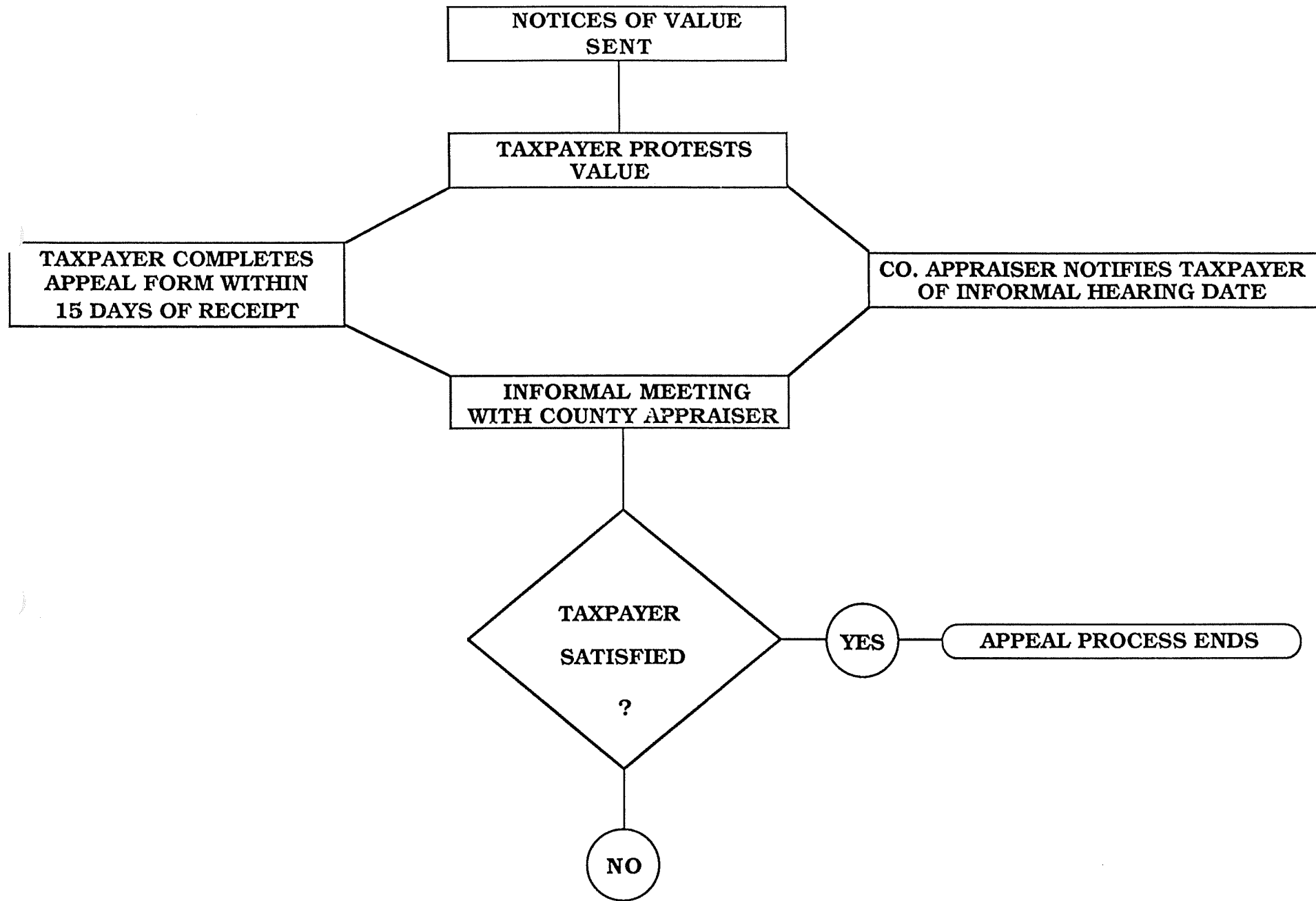
	JANUARY		FEBRUARY		MARCH		APRIL		MAY		JUNE	
	1	15	1	15	1	15	1	15	1	15	1	15
INFORMAL												
NOTICES OF VALUE MAILED												
INFORMAL HEARINGS												
TAXPAYER FILES W/IN 15 DAYS												
HEARING PANEL												
HEARING PANEL MEETS												
TAXPAYER FILES W/IN 7 DAYS												
BOARD OF EQUALIZATION												
BOARD OF EQUALIZATION MEETS												
TAXPAYER FILES W/IN 7 DAYS												

1. NOTICES OF VALUE MAILED AFTER JANUARY 1
2. INFORMAL HEARINGS BEGIN AFTER JANUARY 5
3. TAXPAYER FILES FOR INITIAL APPEAL WITHIN 15 DAYS OF RECEIPT
4. MANDATORY DATE TO MAIL NOTICES BY MARCH 1 (MAY 1 FOR PERSONAL PROPERTY)
5. INFORMAL HEARINGS END APRIL 1
6. HEARING PANEL BEGINS AFTER JANUARY 15
7. MANDATORY HEARING PANEL BEGIN DATE APRIL 25
8. TAXPAYER HAS 7 DAYS TO FILE
9. HEARING PANEL ADJOURNS MAY 15
10. BOE BEGINS AFTER FEBRUARY 1
11. MANDATORY BOE BEGIN DATE MAY 25
12. TAXPAYER HAS 7 DAYS TO FILE
13. BOE ADJOURNS BY JUNE 15

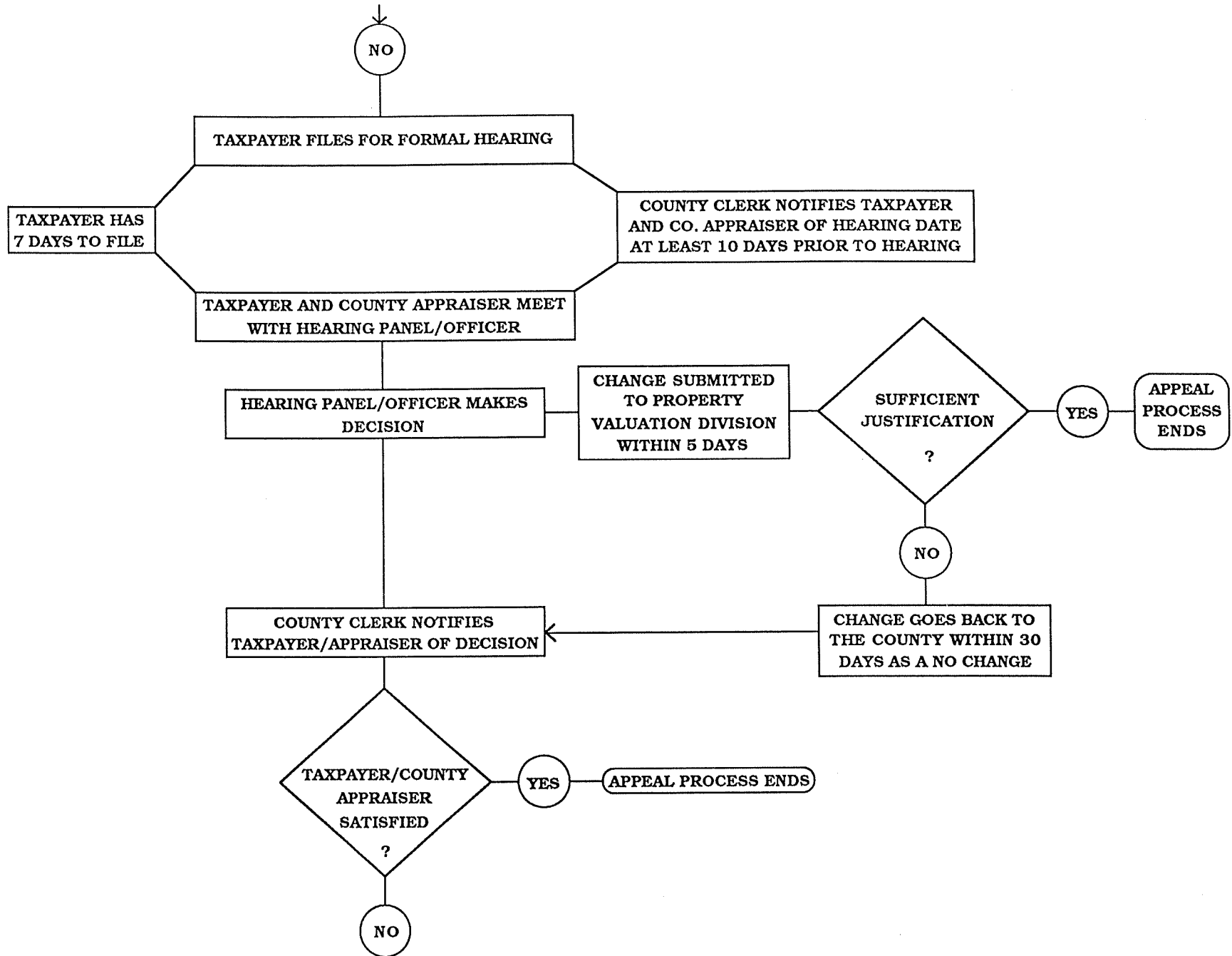
JANUARY 4, 1987

BOE PROCESS

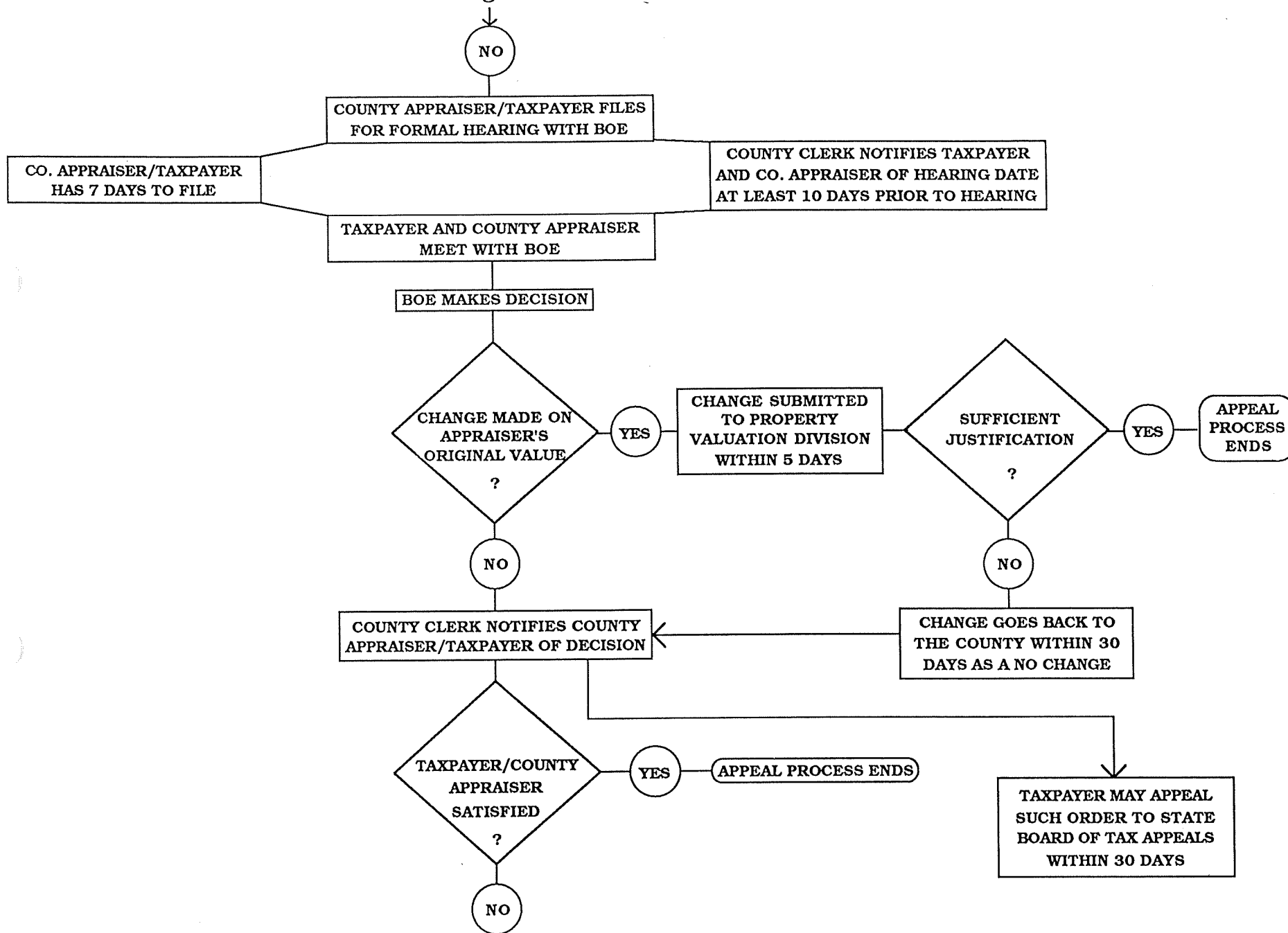
INFORMAL



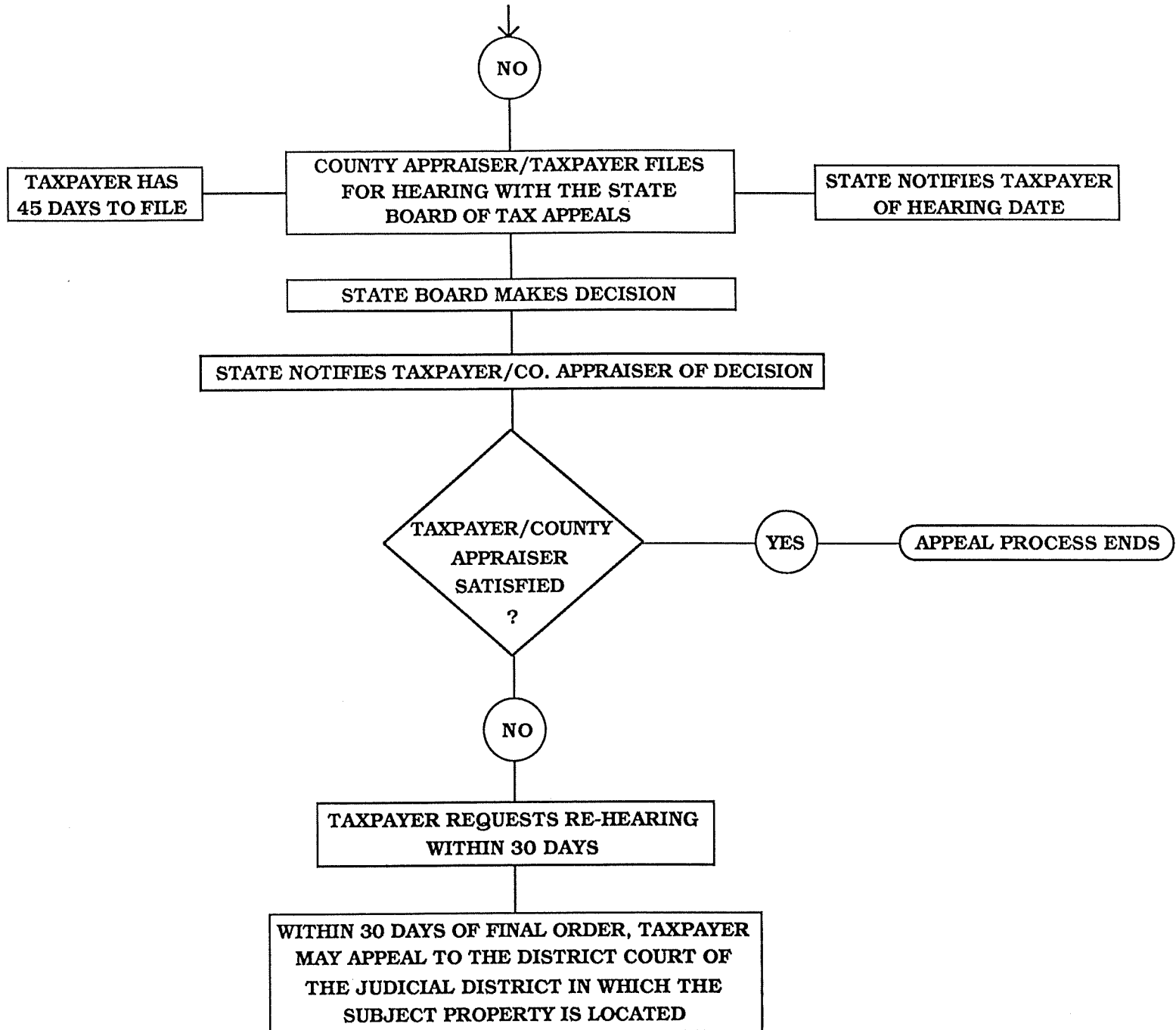
**BOE PROCESS
HEARING PANEL**



BOE PROCESS
BOARD OF EQUALIZATION



BOE PROCESS
STATE BOARD OF TAX APPEALS



KANSAS REAPPRAISAL
STATE APPEAL ESTIMATES*

	<u>%</u>	<u>PARCELS</u>
INFORMAL TO COUNTY APPRAISER	8 - 10	112,000 - 140,000
HEARING OFFICER/PANEL	4 - 5	56,000 - 70,000
COUNTY BOARD OF EQUALIZATION	1 - 2	14,000 - 28,000
STATE BOARD OF TAX APPEALS	.3 - .5	4,200 - 7,000

* ESTIMATES ARE BASED UPON THE MISSOURI REAPPRAISAL AND A FINAL TOTAL STATEWIDE PARCEL COUNT OF 1.4 MILLION PARCELS.

KANSAS REAPPRAISAL
APPEAL/HEARING ESTIMATES FOR A
10,000 PARCEL JURISDICTION

		<u>%</u>	<u>NUMBER</u>	<u>TIME*</u>	<u>M/DAYS*</u>
INFORMAL	RESIDENTIAL	3	300	20 M	13
	AGRICULTURAL	3	300	30 M	19
	C/I	<u>4</u>	<u>400</u>	30 M	<u>25</u>
	TOTAL	10	1,000		57 (11 WKS)
HEARING PANEL/ OFFICER	RESIDENTIAL	1.5	150	20 M	7
	AGRICULTURAL	1.5	150	30 M	10
	C/I	<u>2</u>	<u>200</u>	30 M	<u>13</u>
	TOTAL	5	500		30 (6 WKS)
CTY BOARD OF EQUALIZATION	RESIDENTIAL	.5	50	20 M	2
	AGRICULTURAL	.5	50	30 M	4
	C/I	<u>1</u>	<u>100</u>	30 M	<u>8</u>
	TOTAL	2	200		14 (3 WKS)

* ESTIMATES ONLY INCLUDE TIME OF ACTUAL HEARING. TIME TO RESEARCH AND COMPLETE ENTIRE HEARING PROCESS (INCLUDING NOTIFICATION AND DOCUMENTATION) MAY MORE THAN DOUBLE TIME ESTIMATE.

79-1448. Appeals by taxpayers from classification or valuation of property; adjustments in classification or valuations by county board of equalization². Any taxpayer may complain or appeal to the county appraiser from the classification or appraisal of the taxpayer's property by giving notification of such dissatisfaction to the county appraiser. ~~Meetings in regard to such matters shall be conducted as prescribed in K.S.A. 79-1464.~~ Any taxpayer who is aggrieved by the final determination of the county appraiser may appeal to the¹ county board of equalization in the same manner as appeals are made to such board⁴ under K.S.A. 79-1606, and any amendments thereto, and such¹ board for just cause shown and recorded, is authorized to change the classification or valuation of specific tracts or individual items of real or personal property in the same manner provided for in K.S.A. 79-1602 et seq.

K.S.A. 1986 Supp. 79-1460. The county appraiser shall notify each taxpayer in the county annually on or before April 1 for real property and May 1 for personal property, by mail directed to the taxpayer's last known address, of any change in the classification or appraised valuation of the taxpayer's property. ⁵For the purposes of this section, the term "taxpayer" shall be deemed to be the person in ownership of the property as indicated on the records of the office⁶ of register of deeds⁷. Except for the year in which valuations for real property established pursuant to the program of statewide reappraisal are first applied as a basis for the levy of taxes, such notice shall

¹ hearing officer/panel and/or
² ; Informal meeting concerning appeal of classification or valuation of property

³ The county appraiser shall arrange to hold an informal meeting with the aggrieved taxpayer with reference to the property in question. In no event shall an informal meeting be scheduled to take place after April 1 in the year in which valuations for real property established pursuant to the program of statewide reappraisal are first applied as a basis for the levy of taxes.

⁴ body

⁵ , except for the year in which valuations for real property established pursuant to the program of statewide reappraisal are first applied as a basis for the levy of taxes, when notice of change for real property shall be mailed on or before March 1. In the case of real property, f

⁶ (s)

⁷ and/or county clerk

specify separately both the previous and current appraised and assessed values for the land and buildings situated on such lands. In the year following the year in which valuations for tangible property established under the program of statewide reappraisal are applied as a basis for the levy of taxes, and in each year thereafter, such notice shall include the most recent county sales ratio for the particular subclass of property to which the notice relates, except that no such ratio shall be disclosed on any such notices sent in any year when the total assessed valuation of the county is increased or decreased due to reappraisal of all of the property within the county. Such notice shall also contain a statement of the taxpayer's right to appeal. Failure to receive such notice shall in no way invalidate the classification or appraised valuation as changed.

~~79-1464. Informal-meeting concerning appeal of classification or valuation of property.--Upon notification by the county clerk of the filing of an appeal of the classification or valuation of property, the county appraiser shall contact the aggrieved taxpayer and arrange to hold an informal meeting with reference to the property in question, prior to the hearing date set before the county board.~~

79-1470. Request of county board of equalization for changes in classification or valuation of property, when. In any year during the month of April for real property and the month of May for personal property, the county appraiser may request the¹ county board

of equalization to order a change in the classification or the appraised valuation of property on the certified appraisal rolls.¹ The county appraiser shall utilize the appraised value appeal form when making such requests.

79-1472. Attendance of county appraiser or designee at meetings of board of equalization. The county appraiser or the appraiser's designee shall attend meetings of the² county board of equalization for the purpose of aiding such board³ in matters involving the appraisal of property, and the county appraiser shall make all records concerned therewith available to the² county board of equalization. The absence of the county appraiser or the appraiser's designee from any meeting of such board shall not affect the authority of such board to meet and conduct the business of the board.

K.S.A. 1986 Supp. 79-1481. Same; class assessment changes prohibited unless approved by state board of tax appeals; procedure; changes in valuation of individual tracts, justification required. No² county board of equalization shall issue an order applicable uniformly to all property in any class in any area or areas of the county, which order changes the assessment of such class of property in such area or areas, without the approval of the state board of tax appeals. Whenever any² county board of equalization proposes to issue any such order, it shall make written application to the state board of tax appeals for a hearing on such matter⁴. The state board of tax appeals shall set a time and place for a hearing thereon

¹ Such request shall be made to the hearing officer/panel, if any, otherwise to the county board of equalization.

² hearing officer/panel and/or

³ body

⁴ , if such change constitutes the final decision of the county

within five days receipt of such application. The time set for hearing such matter shall in no event be more than 30 days following the date of receipt of such application. The state board of tax appeals shall notify the¹ county board, the county or district appraiser and the director of property valuation, of the time and place set for hearing. The director of property valuation shall be made a party to such hearing. The state board of tax appeals shall make its determination upon such matter within 10 days of the conclusion of the hearing thereon and notify the county board and director of property valuation by mail of its determination within five days of the date such determination is made.

The director of property valuation shall require written justification from the¹ county board of equalization when that board issues an order modifying the valuation of individual tracts of real property². The justification shall be conveyed on forms prescribed by the director, notifying the director of such actions of the¹ county board and conveyed by certified mail, return receipt requested, or personally delivered to the director of property valuation or his designee. The director shall within³ 90 days after receipt of such justification review such justification to determine compliance with K.S.A. 79-503a, and amendments thereto.⁴ If the director finds the¹ county board's actions are not in compliance with K.S.A. 79-503a, and amendments thereto, the director shall ~~appeal the decisions of the county board of equalization to the state board of tax appeals which shall administer the appeal.~~⁵

1 hearing officer/panel and/or
2 , if such change constitutes the final decision of the county

3 30

4 Provided, the director may extend such time in intervals of 30 days, not to exceed 2 such intervals, for just cause shown.

5 order reinstatement of the appraiser's value. Any party aggrieved by the director's order may within 30 days appeal such order to the state board of tax appeals.

K.S.A. 1986 Su. 79-1602.

¹ hearing officer/panel and/or

The¹ county board thus constituted, or a majority of the members thereof, may on and after January 15 of each year, meet at any time that such¹ board may deem necessary. All meetings of such¹ board shall be held in a suitable place in the county courthouse. Such¹ board shall on the first business day in April of each year meet for the purpose of inquiring into the valuation of real property and ~~shall, on May 15 or the next following business day if such date shall fall on a day other than a regular business day, meet for the purpose of inquiring into the valuation of tangible personal property in the county,~~ and shall review the appraisal rolls of the county as to accuracy, completeness and uniformity of appraisal, and shall make such changes in the appraisal of property as shall be necessary in order to secure uniform and equal application to all property.

In all cases where it shall become necessary to increase the appraised value of specific tracts or individual items of real or personal property, except where the appraised value of a class or classes of property in any area or areas of the county is raised by a general order of the state board of tax appeals applicable to all property in such class or classes for the purpose of equalization, the county clerk shall, at least 10 days prior to hearing, mail or cause to be mailed a notice to the person to be affected thereby at such person's post-office address as shown by the assessment rolls, stating in substance that it is proposed to increase the assessment of such specific tracts or individual items of such person's real or personal property, and fixing the time and place when a hearing

thereon will be held.

The¹ board shall hear and determine any appeals made by any taxpayer as to the valuation of any property in the county which may be made to the¹ board by the owner of such property or such owner's agent or attorney, and shall perform the duties prescribed in this section. The session of the¹ board held for the purpose of considering the valuation of real property shall commence not later than the first business day in April and shall remain in session until² the last business day in April³, during which⁴ time⁵ the¹ board may adjourn from time to time as may be necessary, and at the expiration of the last business day in April³, the board shall adjourn until May-5⁶, when it shall again reconvene for the purpose of hearing appeals from persons who have been notified by the county clerk of pending changes in the valuation of their real property as provided above, but such adjourned session shall not continue for more than 10 days, after which the board shall adjourn sine die, which adjournment must be taken on or before May⁷ 15, or if such day shall fall on Sunday, then such final adjournment shall be taken on May⁷ 16 and the board shall have no authority to be in session thereafter. After such final adjournment the board shall not change the appraised or assessed valuation of the real property of any person, except for the correction of clerical errors as authorized by law, or reduce the aggregate amount of the appraised or assessed valuation of the taxable real property of the county.

~~The session of the board held for the purpose of considering the valuation of personal property shall commence not later than May 15 or the next~~

1 hearing officer/panel and/or
2 May 15, or if such day shall fall on Sunday, until May 16, except that a county board of equalization shall remain in session until
3 May
4 such
5 s
6 June 5
7 June

~~following-business day-if-such date-shall-fall-on-a-day-other than-a-regular-business-day-and shall-remain-in-session-until the-last-business-day-in-May, during-which-time-the-board-may adjourn-from-time-to-time-as may-be-necessary,-and-at-the expiration-of-the-last-business day-in-May,-the-board-shall adjourn-until-June-5,-when-it shall-again-reconvene-for-the purpose-of-hearing-appeals-from persons-who-have-been-notified by-the-county-clerk-of-pending changes-in-the-valuation-of their-personal-property-as provided-above,-but-such adjourned-session-shall-not continue-for-more-than-16-days, after-which-the-board-shall adjourn-sine-die,-which adjournment-must-be-taken-on-or before-June-15,-or-if-such-day shall-fall-on-Sunday,-then-such final-adjournment-shall-be taken-on-June-16-and-the-board shall-have-no-authority-to-be in-session-thereafter.--After such-final-adjournment-the board-shall-not-change-the appraised-or-assessed-valuation of-the-personal-property-of-any person,-except-for-the correction-of-clerical-errors as-authorized-by-law-or-reduce the-aggregate-amount-of-the appraised-or-assessed-valuation of-the-taxable-personal property-of-the-county.~~

The¹ board shall provide for sufficient evening and Saturday meetings during the sessions hereinbefore prescribed for the performance of its duties as shall be necessary to hear all parties making requests for such evening or Saturday meetings.

In order to more efficiently and effectively hear and determine appeals by taxpayers ~~or-their-representatives~~ which may result from² valuations of ~~real~~ property ~~due-to-the state-wide-program-of reappraisal-of-real-property,~~ the county board of³

1 hearing officer/panel and/or
2 changes in
3 county commissioners

~~equalization of Mason county~~
may appoint an ~~advisory~~
hearing¹ panel² to accomplish
such purpose. Any such³ panel
or panels shall have a
membership composed of persons⁴
~~having experience in the field~~
~~of real property appraisal and~~
~~valuation and shall perform~~
~~such duties and functions as~~
~~may be prescribed by the county~~
~~board to provide assistance in~~
~~the making of its~~
~~determinations relating to such~~
~~taxpayer appeals.~~ No person
who has performed an appraisal
of any real property the
reappraised valuation of which
is appealed ~~to the county board~~
~~of equalization~~ shall be
eligible to serve as a member
of any such panel with respect
to a hearing on the appeal of
such valuation of such
property. The director of
property valuation shall
prescribe guidelines governing
the composition and duties of
such panels.

- 1 officer(s) and/or
- 2 (s)
- 3 officer or officers,
- 4 certified by the director of
property valuation
- 5 within 7 days of the date
the first notice of change in
classification or appraised
valuation is mailed
- 6 s
- 7 hearing officer/panel and/or

79-1603. Notice of annual
meeting; appearance; affidavit
of publisher. It shall be the
duty of the county clerk to
give notice, by publishing⁵ in
~~the first week in March in each~~
year and the two (2) weeks next
following in some newspaper
having general circulation in
his or her county, of the
annual meeting⁶ of the⁷ county
board of equalization held for
the purpose of considering
appeals from the valuation of
property; at which meetings all
persons feeling themselves
aggrieved can appear and have
all errors in the returns and
all excessive valuation
corrected. The board of county
commissioners shall not allow
any bill for the publication of
any notice provided for in this
section until the person
publishing such notice shall
file with the county clerk a
copy of the newspaper in which

such notice is published, to which shall be attached his or her affidavit stating that such notice has been published in accordance with law.

79-1606. Appeals to county board of equalization; procedure and forms; hearings and disposition; duties of county clerk. The¹ county board of equalization in each county shall adopt, use and maintain the following records, the form and method of use of which shall be prescribed by the director of property valuation: (a) Appeal form, (b) hearing docket, and (c) record of cases, including the disposition thereof. The county clerk shall furnish appeal forms to any owner of property which has been appraised who desires to further appeal to the¹ county board of equalization as to the classification, appraised valuation, assessment or assessment equalization of real property made prior to April 1 of the year of assessment or as to the classification, appraised valuation, assessment or assessment equalization of personal property made prior to May 1 of the year of assessment by the county appraiser. Any such appeal in writing involving the classification, appraised valuation, assessment or assessment equalization of real property must be filed with the county clerk² on or before April 10 of the year in which the assessment was made and any appeal in writing involving the classification, appraised valuation, assessment or assessment equalization of personal property must be filed with the county clerk on or before May 10 of the year in which the assessment is made.

Every appeal so filed shall be set for hearing by the¹ county board of equalization

¹ hearing officer/panel and/or

² within 7 days of the date that a notice of change in value was mailed by the hearing officer/panel and/or county board of equalization except as provided in K.S.A. 79-1609.

which hearing must ~~if-the-same involves-the-classification, appraised-valuation, assessment or assessment-equalization-of real-estate,~~ be held on or before¹ ~~the-last-business-day of-April-and-such-hearing-must, if-the-same-involves-the classification, appraised valuation, assessment-or assessment-equalization-of personal-property,~~ be held on or before the last business day in May, and the county clerk shall notify each appellant and the county appraiser of the date for hearing of the taxpayer's appeal at least five² days in advance of such hearing. Every such appeal shall be determined by order of the³ county board of equalization and such order shall ~~if-the-same-involves-the classification, appraised valuation, assessment-or assessment-equalization-of-real estate,~~ be recorded in the minutes of such⁴ board on or before⁵ ~~the-last-business-day of-April, and-if-the-same involves-the-classification, appraised-valuation, assessment or assessment-equalization-of personal-property,~~ be recorded in the minutes of such board on or before the last business day of May. Such recorded orders and minutes shall be open to public inspection. Notice as to disposition of the appeal shall be mailed to the taxpayer within five days after the determination.

79-1607. Employment of assistants to aid county board of equalization; costs; resolution; contracts for appraisals, when; costs; no-fund warrants. The board of county commissioners of any county may employ expert, clerical, or other qualified assistants⁶ to aid such board in the performance of its duties as the county board of

1 May 15, if heard by an officer/panel, and May 30, if heard by a county board of equalization

2 10

3 hearing officer/panel and/or

4 officer/panel or

5 May 15, in the case of a hearing officer/panel and May 30, in the case of a county board of equalization.

6 , hearing officers or panels

equalization and the compensation of such assistant or assistants¹ shall be paid from the county general fund.² The board of county commissioners of any county which shall employ assistants pursuant to the provisions of this section shall by resolution specify the duties and compensation of any assistant or assistants so employed, and no such assistant or assistants shall be employed until such duties and compensation be so specified: **Provided,** That if in its discretion the board of commissioners of any county shall deem it necessary to contract for an appraisal of all or any part of the properties within such county for the purpose of aiding the board in assessment equalization, said board may contract for the same, and for the purpose of paying for the same may pay all or any part of the costs thereof from the county general fund, or may pay all or any part thereof by the issuance of no-fund warrants, as hereinafter provided. The board of commissioners of any county contracting for the purposes hereinbefore provided is hereby authorized and empowered to issue no-fund warrants in the amount necessary to pay for the same.

Such no-fund warrants shall be issued in the manner and form, bear interest and be redeemed as prescribed by K.S.A. 79-2940, and acts amendatory thereof, except that they may be issued without approval of the state board of tax appeals, and without the notation required by K.S.A. 79-2940. Whenever no-fund warrants are issued under the authority of this act, the board shall make a tax levy at the first tax levying period after such warrants are issued, sufficient to pay such warrants

¹ , hearing officers or panels

² Any county is authorized to exceed the general fund levy and tax lid limitation by an amount not to exceed the related costs of such assistants, hearing officers or panels.

and the interest thereon: ¹ , hearing officers or panels
Provided, That in lieu of making only one tax levy, such board, if it deems it advisable, may make a tax levy each year for not to exceed five (5) years in approximately equal installments for the purpose of paying said warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized or limited by law, and none of the tax limitations provided by article 19 of chapter 79 of the Kansas Statutes Annotated, and acts amendatory thereof, shall apply to such levies.

79-1608. Same; transfer of general fund moneys to special assessment equalization fund; use of moneys; retransfers, when. The board of county commissioners of any county by resolution is hereby authorized and empowered to transfer at the close of any budget year all or any part of the balance of the money in the county general fund, and subject to legal expenditure in such year, to a special assessment equalization fund. Upon the adoption of such resolution, a copy thereof shall be delivered to the county treasurer and he or she shall credit the amount provided in such resolution to such special fund and shall debit the general fund.

Such transfers may be made notwithstanding the provisions of K.S.A. 79-2925 to 79-2937, or acts amendatory thereof or supplemental thereto. All moneys credited to such special fund shall be used by the county for the purpose of employment of or contracting for assistants¹ to aid the county board of equalization in the performance of its duties or to make appraisal of all or any part of the properties in such county for the purpose of

aiding the board assessment equalization; and such special assessment equalization fund shall not be subject to the provisions of K.S.A. 79-2925 to 79-2937, or acts amendatory thereto, except that in making the budgets of such counties the amounts credited to, and the amount on hand in such special fund, and the amount expended therefrom shall be shown thereon for the information of the taxpayers of the county.

If the board of county commissioners shall determine at any time that all or any part of the money which has been transferred to such special fund in not needed for the purposes for which so transferred, said board of county commissioners is hereby authorized and empowered by resolution to retransfer such amount not needed to the general fund of the county, and such retransfer and expenditure thereof shall be subject to the provisions of K.S.A. 79-2925 to 79-2937, or act amendatory thereof or supplemental thereto.

K.S.A. 1986 Supp. 79-1610. Decision of board; notice to taxpayer; change in assessment of class of property; appeal not heard is denied. Notice of the decision of the¹ board on any appeals shall be mailed to the taxpayer within five days after the date of the making of such decision². Notice of all changes of³ valuation of property, including the justification for such changes, shall, within five days, be mailed to the director of property valuation⁴. Any appeal duly perfected not heard by the board on or before the date of final adjournment of the board, shall be deemed to have been denied as of the date

- 1 hearing officer/panel and/or
- 2 or upon approval of director of property valuation, whichever occurs later
- 3 classification or
- 4 pursuant to K.S.A. 1986 Supp. 79-1481, if such change constitutes the final decision of the county

of final adjournment and the board shall mail a notice of such denial to the taxpayer within five days after the date of such final adjournment.

KANSAS REAPPRAISAL

George A. Donatello
Reappraisal Coordinator

Kansas Department of Revenue
Division of Property Valuation

KANSAS REAPPRAISAL

I. Background/Overview

The current Kansas reappraisal was proposed by the 1985 Legislature and was approved and signed into law in April of that year (now known as K.S.A. 1986 Supplement 79-1476 et. seq.). Legislators were uneasy because the last reappraisal had been performed in the 1960's and values had not been kept up to date. Uniformity of assessment within a county is measured by their coefficient of dispersion or COD; this is the percentage by which various individual assessments differ, on average, from the median. The 1984 Real Estate Assessment/Sales Ratio Study indicated that eighty percent of the counties in Kansas had COD's averaging above forty, some were as high as 150, but the law (79-1436b) requires a COD of less than twenty. Indications were that if a reappraisal wasn't mandated soon, a lawsuit would trigger the courts to order one.

By mandating the reappraisal themselves, the Kansas Legislature was able to set certain requirements. One of the most prominent is the date chosen for completion of the project: January 1, 1989. Three and a half years is not much time to hire a state oversight staff of 40 experienced appraisers and cartographers; orient and develop a comprehensive training program for hundreds of project supervisors and technical personnel hired by the counties; map 80,000 square miles of land; locate, measure and list 5 to 6 million improvements; install or upgrade a computer system in every county; and appraise 1.5 million parcels of property. Meeting the deadline is made even more imperative by the fact that a recent Constitutional Amendment (Article 11, Section 1(b)) implements a property assessment classification system on that same January 1, 1989 date, whether reappraisal is completed or not.

The legislators also specified that this is to be a joint effort between county and state; the work is to be performed by each of the 105 individual counties (Figure 1) while the Property Valuation Division establishes uniform, statewide guidelines and oversees their work. The only way the project will succeed is through good organization, planning and leadership by the State coupled with cooperation and hard work by the counties.

Reappraisal work began in earnest in August 1985 with the first step necessary in any mass appraisal process: the preparation of up-to-date cadastral or property ownership maps. Before the data collection can begin, the appraiser must first be able to locate and identify the property.

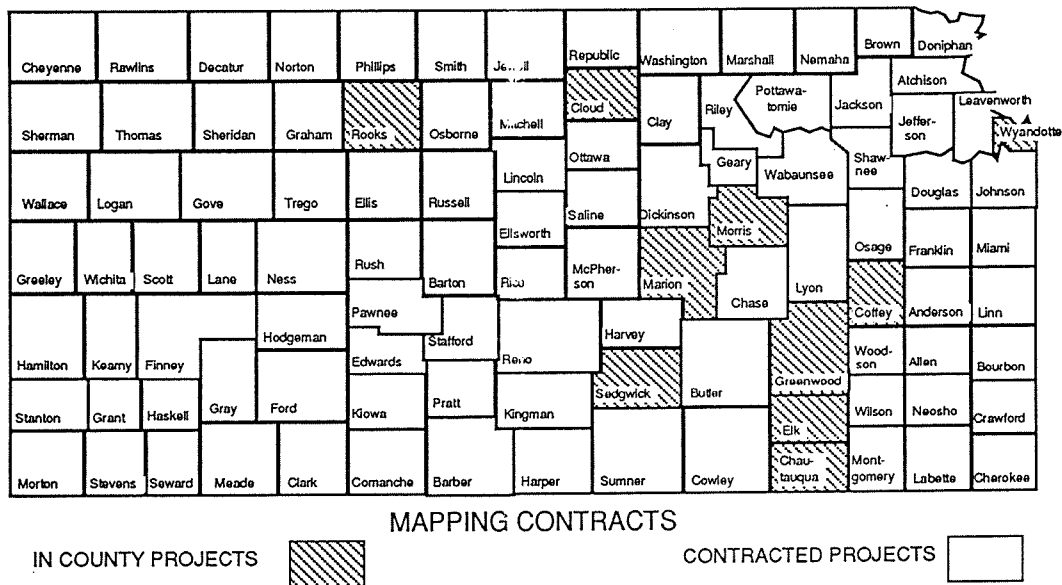


Figure 2

Statewide, the total cost of the mapping process will be about \$20.6 million or \$14.50 per parcel (Figure 3).

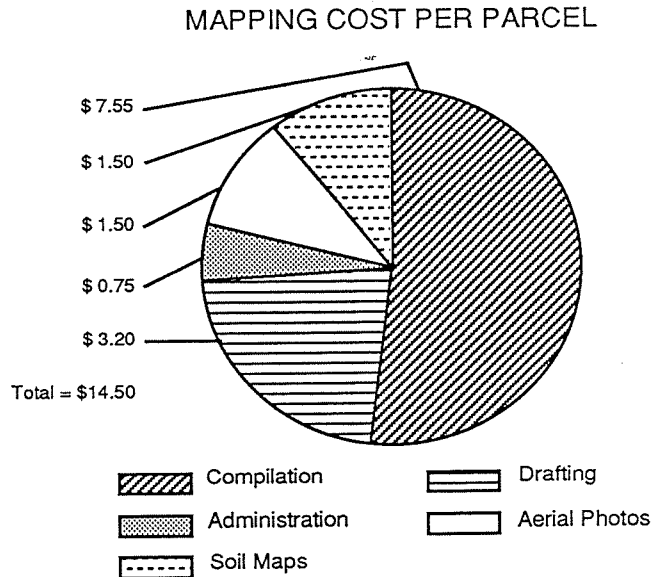


Figure 3

The legislation also required that this be a computer assisted mass appraisal (CAMA) project. In other words, after a physical inspection and inventory of each parcel, property characteristic data is entered into the computer to undergo sophisticated analysis and valuation modeling.

THE COMPUTER DOES NOT TAKE THE PLACE OF AN APPRAISER OR APPRAISAL JUDGMENT. What it does do is allow the use of very rigorous valuation techniques such as market analysis and multiple regression. The computer can overnight perform work that might very well take years of manual labor. Setting up such a system in each county has also afforded the opportunity to automate other areas of their work. Most counties are now planning to automate their tax roll preparation and tax statement generation functions; they are adding word processing and spreadsheet applications.

The CAMA portion of the project adds only about \$4.3 million or \$3.00 per parcel to the total cost (Figure 4).

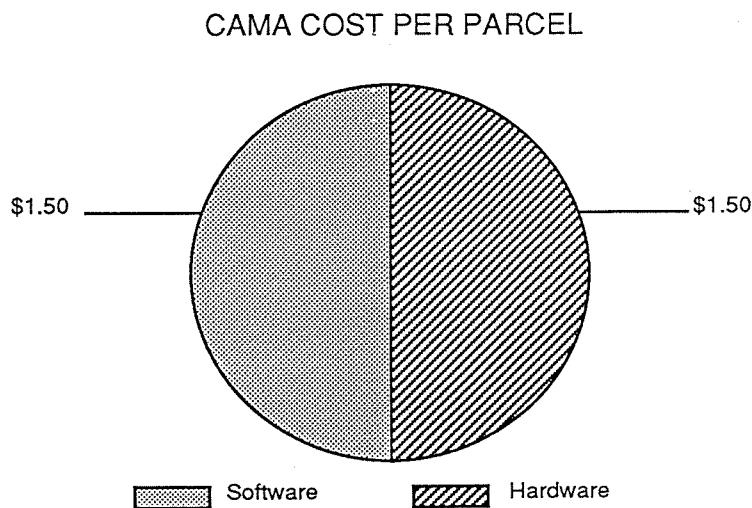


Figure 4

The most time consuming, most visible part of the project is the actual appraisal phase. About 80% of the counties are contracting with private firms to perform this work which involves the data collection, analysis and valuation phases (Figure 5). Data collectors inspect the property, measure all improvements, and record construction type information. They also ask questions about the interior components. An experienced appraiser then inspects the property and makes judgments regarding the quality of construction and the amount of depreciation. For commercial/industrial properties, information about income and expenses is also collected. Actual sale prices for comparable properties are taken into consideration for all types of properties. After a field review is made, a final estimate of value for the property is then formulated.

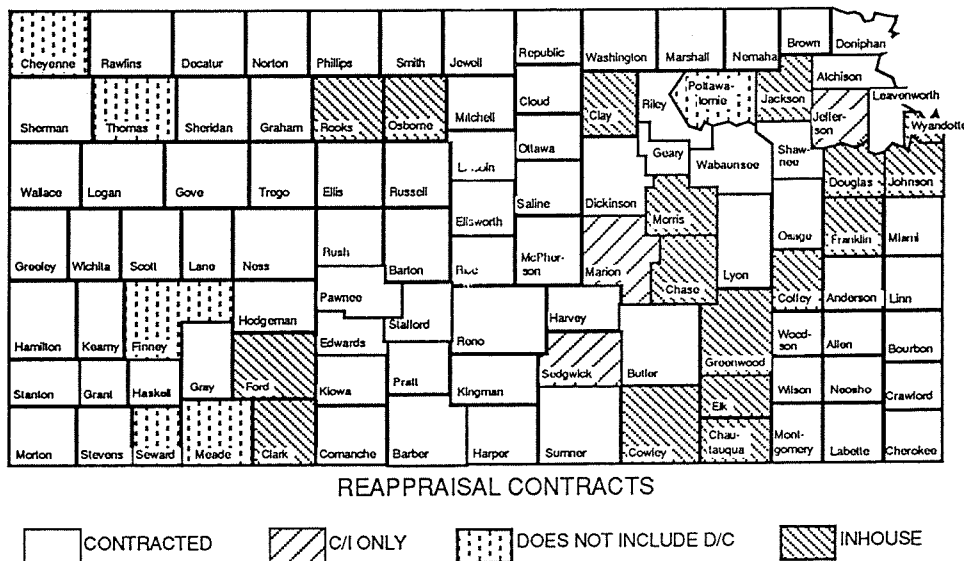


Figure 5

The Reappraisal Bureau worked extensively with the CAMA software contractor to develop the comprehensive Kansas Reappraisal Manual. This document instructs counties and their contractors on the type of data that must be collected and analyzed in order to arrive at an accurate value. The volume is customized with photographs and examples taken directly from actual Kansas properties. Supplemental data collection manuals have also been developed for residential, rural/agricultural, and exempt property.

The bureau also developed a standard contract and rigid technical specifications to be used statewide during the data collection/appraisal phase. Project supervisors, principal residential appraisers and commercial/industrial appraisers all must meet minimum qualification requirements, and a field supervisor must be present for every five data collectors working in the field. Objective data fields must meet strict quality control criteria, including an allowable percentage of field errors, measurement errors and impact on Replacement Cost New. Subjective data can be recorded only by qualified appraisers. Any deviation from guidelines, examples and specifications must be supported by comprehensive documentation.

Counties began the data collection phase in the spring of 1987. As of January 1, 1988, 552,400 parcels or 48% of the state improved parcel total have been collected.

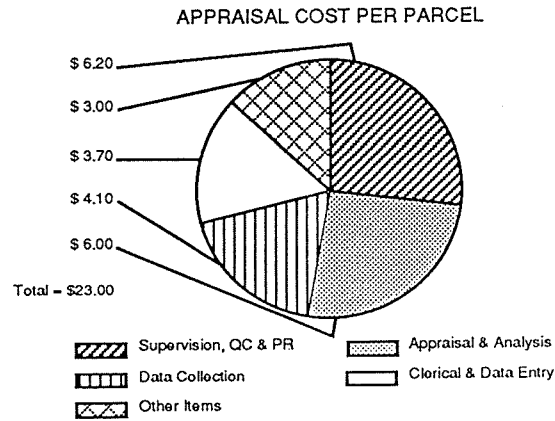


Figure 6

The total price for appraisal services, statewide, is about \$32.7 million or \$23.00 per parcel (Figure 6). When miscellaneous administrative costs are added, the total cost of reappraisal in Kansas will be about \$65 million or \$45.70 per parcel (Figures 7 & 8)

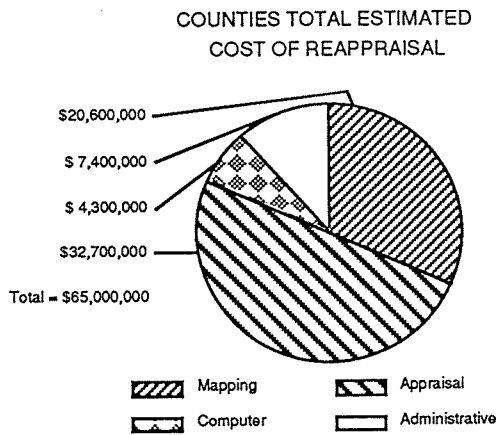


Figure 7

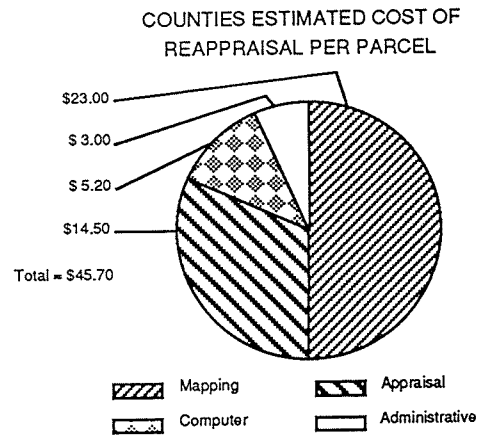


Figure 8

II. Reappraisal Advisory Committee

The Legislature recognized the importance of county participation in the planning process and required the formation of the Reappraisal Advisory Committee. This group of 15 county officials — appraisers, commissioners, clerks, registers of deeds and treasurers — was originally intended only to review the CAMA system selection process. The profound importance of this statewide communications link quickly became apparent. The committee's role expanded to involve a prereview and endorsement of all important policy implementations, including mapping specifications and appraisal guidelines.

Although most major policy decisions have already been made, the committee continues to meet and receives regular updates on the program. Currently procedures are being implemented whereby they will review and approve proposed enhancements to the KANSAS CAMA System.

This group gives input needed from all county offices (because they are all affected by reappraisal). They are also an extremely valuable public relations tool — counties are consulted prior to crucial decision-making. This is important to the counties and also the public.

III. CAMA

Once the mapping process had begun, an Invitation for Bids for a consultant to assist in the hardware/software selection process was prepared. Although our staff is experienced in not only reappraisal, but also computer assisted reappraisal, we felt that having a consultant was absolutely essential. CAMA is a field that has seen some important developments in the past few years. We were being given the opportunity to implement a State of the Art program, and we wanted to be sure that we received the best possible system. This was one of the best decisions we have made. Our CAMA consultant continues to be invaluable as we proceed through implementation.

Four proposals were received from interested consultants, and after an extensive evaluation of experience and expertise, the contract was awarded to CAMA Technology, Inc., of New Kent, Virginia. They immediately began interviewing and polling county and state officials to determine their level of computer experience and CAMA system expectations. Most counties had no previous experience with any type of computer (Figure 9).

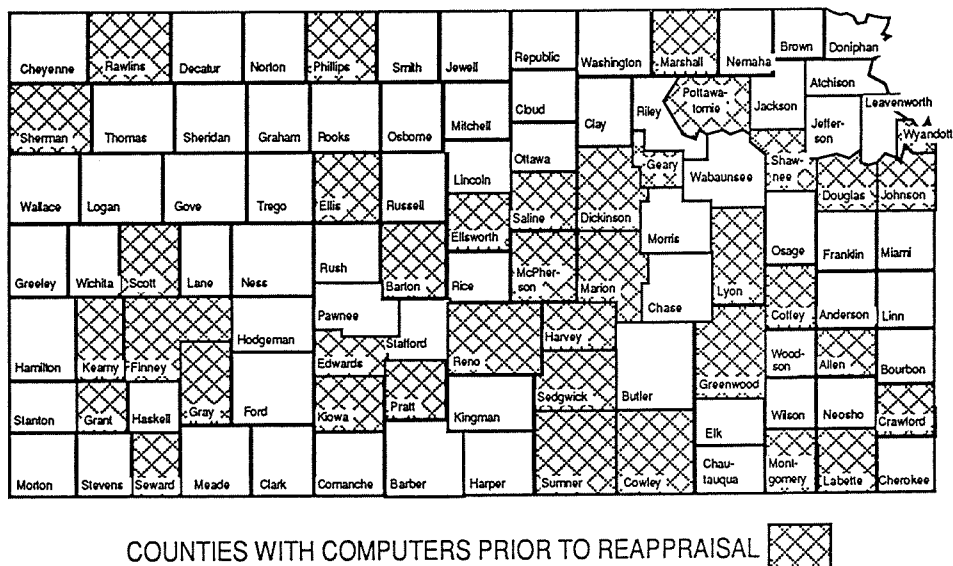


Figure 9

From their research, an extensive Systems Requirement Definition (SRD) using SDM/Structured Development Methodology was developed. This gave an overview of the entire project and described system objectives. Phases and timeframes were developed; possible design and cost alternatives and their implications were discussed. Also presented were five scenarios which took into account varying configurations and cost sharing proposals.

Based on the SRD and additional input from state and county officials, CAMA Technology, Inc. then developed an Invitation for Bids for CAMA software. Interested firms were given the option of providing software for either mini or micro computers. Included in the requirements were provision of complete installation services, comprehensive training for both state and county personnel, and maintenance and support through 1990. We received five proposals which ranged from \$989,000 to just over \$4 million. After exhaustive analysis and evaluation of the proposals that were submitted, the contract was awarded to the Cole-Layer-Trumble Co. (CLT), of Dayton, Ohio.

CLT's proposal offered several versions of software which would operate on various types of hardware. The survey of computer types already located throughout the counties had shown that IBM was the most prevalent with 11 IBM S/36's plus 5 counties with IBM mainframes.

Consideration was then given to another Kansas Department of Revenue application to be distributed to the counties, the Vehicle Information Processing System (VIPS). VIPS is a distributed data processing system designed to streamline various functions of the county treasurers and the State Division of Vehicles relating to the registration, renewal and titling of vehicles as well as collecting, reporting and depositing motor vehicle related fees.

Originally both CAMA and VIPS were intended to stand alone, but after the reconsideration of all vendor proposals for VIPS microcomputer equipment in May 1986, linking the two and operating them on a mini computer began to sound increasingly attractive. It would minimize the difficulty of supporting both systems; using the same equipment would be easier for county personnel; other state agencies are considering future county level applications which could be added; VIPS requires much internal memory storage which would make inefficient use of micro computers; having a state contract for standardized hardware allows for significant cost reductions; and combining the two applications on one central processing unit (CPU) in each county was less expensive than purchasing two independent micro systems. The decision eventually was made that it was in the best interest of both the state and counties to link both VIPS and CAMA together and operate them on one mini computer, the IBM S/36.

The reappraisal legislation requires the state to reimburse counties for "a portion" of their reappraisal-related costs. Thus far, the legislature has appropriated approximately 50% of the estimated total price for this purpose

STATE FUNDING OF COUNTIES REAPPRAISAL COST

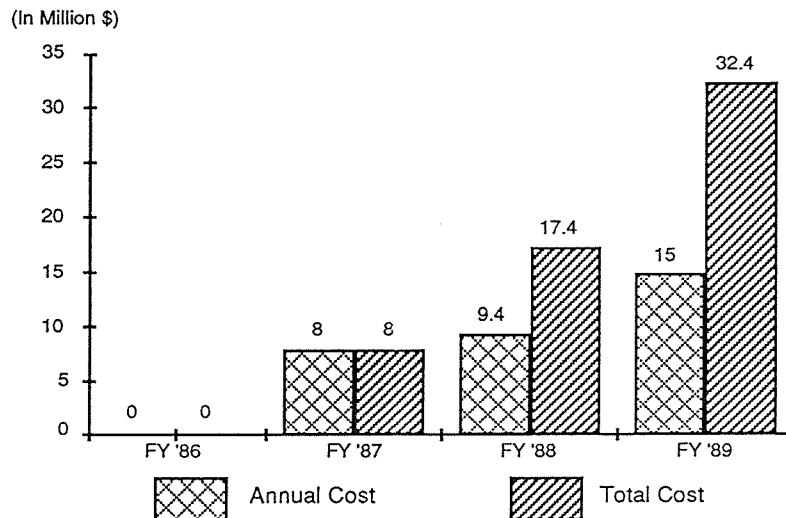


Figure 10

(Figure 10). The Department of Revenue had intended to purchase outright the equipment needed to operate the VIPS project in each county. Reappraisal costs are paid upfront by counties and then reimbursed by the state at an average rate of 50%. In this instance, however, it was proposed to the counties that if they would purchase a central processing unit large enough to operate both systems, they will receive reimbursement for its entire cost when the VIPS program is implemented. Additionally, VIPS will purchase all of the peripherals necessary for its application, while counties receive their approximate 50% reimbursement for reappraisal-related peripherals. This agreement made the cost of computers more affordable for the counties and has saved the state several million dollars.

The implementation phase began with the determination of an individual computer configuration for each county (Figure 11). These were developed by a project team consisting of personnel from CAMA Technology, CLT, VIPS, and other state agencies. The recommended CPU was adequate to operate both CAMA and VIPS. As expected, most counties (81%) chose to purchase larger systems and microcomputer workstations so that they could add their own applications (Figure 12). Reimbursement, however, will be based upon only our recommended configuration — larger CPU's, additional peripherals and software will be paid for by the counties.

Both IBM and CLT have presented a number of workshops, each held in at least nine locations throughout the state, which have helped a great deal in our KSCAMA System implementation. In August of 1986, before many counties had even ordered their equipment, IBM sponsored a series of pre-installation workshops which told counties how to prepare for the arrival and installation of their hardware. Details of how to prepare wiring and cabling, room layout, and basic computer concepts were discussed. The first hardware installations took place in September of 1986.

CONFIG4

KANSAS REAPPRAISAL
WORKSHEET

001 Allen County, Kansas

Parcels	12,168	
Total FY87 Reimbursement	\$65,159	
1st Quarter Reimbursement	\$16,290	
Kansas CAMA Cost FY87	\$11,579	
2nd - 4th Quarter Reimbursement	\$12,430	Per Quarter

Kansas CAMA Software Cost

	FY87	FY88	FY89	TOTAL
	=====	=====	=====	=====
Software	\$7,320			\$7,320
Training	\$2,036	\$977		\$3,014
Software Support	\$2,223	\$790	\$790	\$3,803
=====	=====	=====	=====	=====
TOTAL	\$11,579	\$1,767	\$790	\$14,136

IBM System 36 Hardware for CAMA and CPU for CAMA and VIPS
(Approximate Total Cost)

Model No.	Description	Qty	Price Each	Total Cost	State Share	County Share	Annual Maint	MONTHLY Cost to Purchase BEF VIPS	MONTHLY Cost to Purchase AFT VIPS
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
5360-200	CPU 1 MB Mem(1)	1 X	\$36,025 =	\$36,025	\$36,025 (VIPS)	\$0	\$2,328	\$780	\$0
3196	Terminals	3 X	\$842 =	\$2,526	\$1,263 (REAP)	\$1,263	\$150	\$55	\$55
4234	Printer	1 X	\$7,040 =	\$7,040	\$3,520 (REAP)	\$3,520	\$1,020	\$152	\$152
6157	Tape	1 X	\$1,795 =	\$1,795	\$1,795 (VIPS)	\$0	\$144	\$39	\$0
	Modem	1 X	\$361 =	\$361	\$181 (REAP)	\$181	-	\$8	\$8
	PC XT/Prntr (2)	1 X	\$3,400 =	\$3,400	\$1,700 (REAP)	\$1,700	- (5)	\$74	\$74
	Installation	1 X	\$550 =	\$550	\$275 (REAP)	\$275	\$0	\$0	\$0
	System Software	1 X	\$5,500 =	\$5,500	\$5,500 (VIPS)	\$0	\$0	\$122	\$0
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Total				\$57,197 (3)	\$50,259 (4)	\$6,939	\$3,642 (6)	\$1,229 (7)	\$289

- (1) The approximate CPU price shown includes some additional hardware required for communications.
- (2) It is strongly recommended that each county purchase this hardware option. It will provide stand alone software applications (word processing, spread sheets, etc.) and back-up support to the main system printer. If this option is NOT selected an additional 200 CPS printer(s) (Model 4214), and terminal(s) (Model 3196) should be substituted in the basic configuration on a one for one basis.
- (3) The county is initially responsible for payment of the system. Reimbursement of the CPU, Tape, and System software by VIPS is planned to occur upon VIPS installation if the county qualifies under the reimbursement criteria. VIPS Terminals and Printers will be purchased by the State at the time of VIPS installation.
- (4) \$6,939 of this total is part of the State's 50% Reappraisal cost reimbursement.
- (5) Due to the reliability of this device we do not recommend annual maintenance. Maintenance options should be discussed with your IBM representative.
- (6) It is currently anticipated that the State will pay some portion of the maintenance of the VIPS and CAMA required CPU and any VIPS related peripherals when they are installed. Annual maintenance is not included for the PC/XT, Proprinter, or Modem. If the county chooses to place this equipment under maintenance contract they may discuss this with their IBM representative.
- (7) This figure represents the monthly cost of the system (not including maintenance) to the county until the anticipated VIPS portion is paid for by the state. Figures are based upon a Lease/Purchase with a 60 Month @ 10.82% annual rate.

calls are computer-logged and double checked to be sure that they have been resolved (Figure 13). Target resolution time is two hours. The Support Center now receives over 300 reappraisal-related calls a month with an average response time of 20 minutes. The responsibilities have been recently expanded to also cover VIPS and on-line driver's license programs.

```

***** RESPONSE LINE CALL LOGGING ***** ENTER

CUSTNO: 0023091  PHONE : 913 8997581
NAME   : SHERMAN
OPERATOR : RICHARD BATCHELLOR  TECH REP :          DELETED      EXP.DT
CONTRACTS 8136211  IBM5360200 3196 4234 6157

          8136211  CAMA          5727 5710

COMMENTS: C.A.RICHARD BATCHELLOR
-----
CALL DATA -----
          REP: 015  DATE: 110287  TIME IN: 1536
CALLER: RICK
PRODUCT: 5360  MODULE: PVD  AREA: 1

PROBLM: PROCESSOR RED CHECK LITE CAME ON-WENT THRU PROBLEM DETERMINATION
ACTION : CALLED IBM FOR SERVICE ....

CAUSE: 2  STATUS: 12  TIME: 15  APR: 2551  PGM/PROC: AA

          PRESS ENTER TO UPDATE or CMD4 TO DELETE
          ROLL TO PAGE
          CMD6 - HELP
          CMD7 - RETURN TO OPTIONS
  
```

Figure 13

IV. Education and Training

Education and training of county officials and contractors has been a prime concern throughout the reappraisal program. Most Kansas county appraisers have not conducted a reappraisal before, so the Reappraisal Bureau has been responsible for developing and presenting courses dealing with all aspects of the process (Figure 14).

Initial courses covered setting up and managing a project, including office layout, hiring employees, etc. Others have dealt with data collection fundamentals, introduction to CAMA, map editing and agricultural use value. Most courses have reached the advanced level now, and topics covered include market model building, grading, construction quality, and developing a cost index. The Division also sponsors 4 to 5 IAAO courses a year.

Overall, 15 - 20 different courses are offered each year and are held in a total of 50 - 60 locations. Introductory courses are repeated periodically due to employee turnover. Because these sessions are such an important part of the Bureau's work, considerable attention has been given to employing the most effective methods of training. Staff has attended both introductory and advanced "Train the Trainer" schools to help assure maximum effectiveness in conveying the critical information which must be retained and applied.

1988 EDUCATION SUMMARY

<u>Course Name</u>	<u>Times Offered</u>
Appraisal Seminars for the Non-Appraiser	9
Apprl of Ag Land & Improvements	1
Basic Mapping	2
Cmml/Ind Cost & Income Models in KSCAMA	5
Construction Qlty Grade, Specs & Depr in KSCAMA	1
Data Coll Fndmntls, Nbrhd Anlys & Land Vltn	1
Dev of Cost Index & Res Depr Study	2
Formal Hearing & Appeals Process	9
Fundamentals of Real Property Appraisal (IAAO)	3
Hearing Process for Appraisers	4
Income Approach to Value (IAAO)	2
Inking & Final Map Preparation	1
Map Maintenance	4
Quality Control Using KSCAMA Reports	5
Res Modeling & Mkt Valuation in KSCAMA	4
Rpprl Project Admin, Adv Data Coll & Tech System Issues	1
Use Value of Rural Lands	1
Year End Processing	<u>5</u>
TOTAL	60

Figure 14

V. Importance of Planning

Kansas has attempted to avoid as many problems as possible by planning thoroughly before acting. In January 1986 each county was required to develop and submit a comprehensive three-year reappraisal plan containing staffing charts, phase delineations and budget information (Figure 15). The budget data is revised on a quarterly basis, and the entire plan is updated each year. Phase delineation charts (from both counties and contractors) are examined carefully and checked against actual production to be sure that no county falls excessively behind schedule.

REAPPRAISAL PLAN	
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4. Reappraisal Schedule	7
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Figure 15

Valuable CAMA planning assistance has been received through IBM's Multiples Marketing Market Support Program in Atlanta. This office provides a wide variety of services designed to share the knowledge of experts in planning and implementing a large project.

Our initial session was a Market Support Planning Session, which was conducted for 3 days in Atlanta in August, 1986. Representatives from both CAMA and VIPS, as well as CLT, attended. We discussed our project and plans

for administration, training, documentation, usability, installation, support, etc. This gave us tremendous insight into the scope of the project and helped organize and coordinate our thoughts and planning process.

Staff from the Support Center went to Atlanta for 3 days in October of 1986 to learn about getting started. They got ideas on room layout, equipment, and telephone techniques, as well as determining and analyzing problems over the phone. They also worked with the Automated Response Call Handling (ARCH) system which is the program used to log all calls. By spending this time beforehand, they were absolutely ready to start taking calls and answering questions on the day they opened.

The most insightful session was a usability evaluation of the data entry training process, user's manual, and associated software. Two days were spent planning for the session in Topeka and three days actually evaluating in Atlanta. Three typical users attempted to operate the CAMA system in Atlanta after undergoing the same training that would be offered counties. Representatives from our technical staff and support center, CLT, and IBM were viewing thru a one-way window to analyze the problems encountered and assist when necessary.

Everything was recorded on videotape (we controlled the camera and were able to zoom in on the screen, keyboard, etc.) and all problems synchronized and computer logged so that we could evaluate and identify areas of concern. This experience provided us with a formidable understanding of the problems and questions our users would have, and most of them were resolved before actual distribution of the software.

No amount of planning, however, eliminates all problems. Although, when the tremendous accomplishments that we have made since the beginning the project are considered, the problems seem minor.

One obstacle we have is that of communications. With 24 appraisers and cartographers working with 105 counties, it is difficult to keep all lines of communication open. Initial delays in modifying and testing our software and some equipment delivery delays caused minor concern. We have also encountered problems with data collection quality as a result of some counties not adhering to the rigid standards specified in all contracts.

The biggest problem that we have is information management. It is extremely difficult to efficiently compile and analyze the data received each week. A number of reporting forms are regularly completed by our staff, county appraisers and contractors. All contracted and in-house counties must submit monthly progress reports which are matched against their respective phase delineation charts using an innovative computer assisted tracking program. State appraisers complete a County Status Report after each county inspection; they are sent to the office weekly. Counties submit quarterly budget updates (Figures 16, 17, 18 & 19).

INVOICE

Appraisal Billing Progress Form

County Name : _____ No. _____
 Company : _____
 Total Contract : _____

Date : ____ / ____ / ____
 Invoice No. : _____
 Billing Period : ____ / ____ / ____ Thru ____ / ____ / ____

Appraisal Phase	Phase Value	Percent of Total	Total Units	Unit of Measure	**Previously Completed**		* Completed this Period *			**Completion to Date**		
					Units	Percent	Billed	Units	Percent	Amount	Units	Percent
001 Exec Supervision	_____	_____	_____	Days	_____	_____	_____	_____	_____	_____	_____	_____
002 Proj Supervision	_____	_____	_____	Days	_____	_____	_____	_____	_____	_____	_____	_____
003 Off Supervision	_____	_____	_____	Days	_____	_____	_____	_____	_____	_____	_____	_____
004 Fld Supervision	_____	_____	_____	Days	_____	_____	_____	_____	_____	_____	_____	_____
100 General Clerk/DE	_____	_____	_____	Days	_____	_____	_____	_____	_____	_____	_____	_____
110 NAL File Data E	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
150 Public Relations	_____	_____	_____	% Phase	_____	_____	_____	_____	_____	_____	_____	_____
200 Sales Data Coll	_____	_____	_____	Months	_____	_____	_____	_____	_____	_____	_____	_____
210 Neigh Del & Anly	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
220 Index/Depr Study	_____	_____	_____	Days	_____	_____	_____	_____	_____	_____	_____	_____
230 New Con Appraisl	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
310 Urban Res Land	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
320 Urb Res Data Col	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
330 Urb Res Grade	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
340 Rural Res Land	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
350 Rural Res Data C	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
360 Rur Res Grade	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
370 Data Ent Res Imp	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
380 Urb Res MRA Mod	_____	_____	_____	Days	_____	_____	_____	_____	_____	_____	_____	_____
390 Res Final Review	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
410 Comm/Apt Land	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
420 Comm/Apt Data Co	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
430 Comm/Apt Grade	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
440 Data Ent Com/Apt	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
450 Com/Apt VE Anly	_____	_____	_____	Days	_____	_____	_____	_____	_____	_____	_____	_____
490 Comm/Apt Final	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
510 Industrial Land	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
520 Indust Data Coll	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
530 Indust Grade	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
540 Data Ent Indust	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
550 Indust VE Anly	_____	_____	_____	Days	_____	_____	_____	_____	_____	_____	_____	_____
560 Indust Final Rev	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
570 Sp Use Narrative	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
610 Ag Mkt Val Land	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
620 Ag Use Val Land	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
625 Soil Map Overlay	_____	_____	_____	Maps	_____	_____	_____	_____	_____	_____	_____	_____
630 Imp Ag Data Coll	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
640 Imp Ag Grade	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
650 Data Ent Ag Imp	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
660 Ag Final Review	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
710 Exempt Land	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
720 Exempt Data Coll	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
730 Exempt Grade	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
740 Data Ent Exempt	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
760 Exempt Final Rev	_____	_____	_____	Parcels	_____	_____	_____	_____	_____	_____	_____	_____
810 Inf Conf & Rechk	_____	_____	_____	Days	_____	_____	_____	_____	_____	_____	_____	_____
820 BOE Hearing Appr	_____	_____	_____	Days	_____	_____	_____	_____	_____	_____	_____	_____
910 Bond/Insurance	_____	_____	_____	% Phase	_____	_____	_____	_____	_____	_____	_____	_____
920 Rent/Utilities	_____	_____	_____	Months	_____	_____	_____	_____	_____	_____	_____	_____
930 Supplies/Misc	_____	_____	_____	% Phase	_____	_____	_____	_____	_____	_____	_____	_____

Total Bid _____ Previous Billing _____ This Bill _____ Total to Date _____
 Less Retainage _____ Less Retainage _____ Total Retain _____ Total Percent Complete to Date _____

Figure 16

COUNTY STATUS REPORT

County _____ Reg _____ Dist _____ Date _____

_____ Co. Appr _____

_____ Reap. Coord _____

Contacted _____ Appraisal Office Staff _____ County Commissioners _____ Contacted _____

Contractor	Amount
Photo Enlargement _____	_____
Mapping _____	_____ per parcel cost _____
Appraisal _____	_____ per parcel cost _____
Parcel count _____	

ITEMS REVIEWED

Comment

PVD Correspondence _____

Quarterly Reports Submitted

1986	1987	1988	1989
1 2 3 4	1 2 3 4	1 2 3 4	1 2

Mapping Status General _____

Appraisal Status General _____

Training Held For _____

Data Quality: No. of Samples Checked in Field _____

Data Collection Quality Summary Sheets Attached _____ Standards Met _____ Yes/No _____

Co. &/or Contractor QC _____

Public Relations/Clippings _____

Other (Specify) _____

General Comments _____

Monthly Reappraisal Progress Reviewed Per Schedule For Month Of: ____/____/____

Contractor Phases Late Per Schedule (>5%) _____

County Phases Late Per Schedule (>5%) _____

Monthly Phase Completion Summary Attached For: ____/____/____
Mo. Yr.

Ratio Study Cards Reviewed & Picked Up For: ____/____/____
Mo. Yr.

Routing:

Director Coord. Oper. Mgr. C. Cart. S.S. Mgr. CAMA Mgr.

Legal Other (Specify) _____

Signature - Title

Figure 18

COUNTY _____

REAPPRAISAL QUARTERLY REPORT

Date _____

QUARTER/YEAR _____

Appraiser's Signature _____

MONTHS OF QUARTER

PERSONNEL

	ESTIMATED		ACTUAL		COMMENTS	PVD
	Man. Days	Expntr.	Man. Days	Expntr.		
Administration						
Appraisal						
Data Processing						
Mapping						
Total Wages						
OASI						
KPERS (Retirement)						
Workers' Compensation						
Group Health/Life Ins.						
Unemployment Ins.						
Total Personnel Costs						

CONTRACTUAL SERVICES

Mapping Contract						
Appraisal Contracts						
Data Processing/Software						
Other Contracts (Explain)						
.....						
.....						
.....						
Total Contractual Services						

OTHER EXPENSES

Education & Training						
Mileage/Travel						
Supplies, Forms & Manuals						
Postage						
Printing & Binding						
Office Equipment						
Furniture & Fixtures						
Computer Hardware						
Rent/Renovation						
Telephone						
Utilities						
Other Costs						
Total Other Expenses						
<u>TOTAL</u>						

Figure 19

From all of this information, reappraisal managers are responsible for developing accurate status reports on each county. Most of the information is computerized as it is received, but this in itself is a time-consuming process. Plans are to provide portable personal computers to field appraisers so that they can access the state's S/36 by modem and enter the information directly.

Another unique computerized management aid is a county information logging system. All phone calls, correspondence, meetings, inspections, etc. are logged by county number and contain brief "To/From" and "Subject" information (Figure 20). This allows a day by day or even minute by minute breakdown of county contact. It is anticipated that field employees will soon be able to access this system with their personal computers. This type of detailed record is becoming extremely valuable as the Legislature increases the level of accountability and depth of information required from the bureau.

COUNTY INFORMATION LOG	
ENTRY	
SECURITY LEVEL 1	DATE 871105 TIME 1127 A
TO	DONATELLO, GEORGE
FROM	SMITH, TOM
CNTY	116
SUBJECT	20 MESSAGE TYPE PC
DESCRIPTION	DISCUSSED THE REVISION OF THE COUNTY'S REAPPRAISAL PHASE DELINEATION CHART
VALID MESSAGE TYPES: PC = PHONE CALL, LE = LETTERS, MO = MEMO, ME = MEETING VI = VISIT, CL = CLASS, IN = SUPPORT CENTER INQUIRY, OT = OTHER	
CMD3-PRIOR MENU CMD7-PRIOR SCREEN HELP-HELP SCREEN ENTER-ACCEPT DATA CMD10-REFRESH SCREEN	

Figure 20

VI. Conclusion

Thus far we have encountered no unrecoverable delays. A few counties have invariably had problems with contractors or difficulty with various phases. Should serious problems arise, the reappraisal legislation has given the state the power to step in and take over an entire county appraisal program. To date, this has not been necessary. At this point we are confident that Kansas is progressing toward the successful completion of reappraisal.

In keeping with our philosophy, however, we are making plans for the future. Educational sessions are beginning to revolve around the appeals process; special sessions are planned for the county Boards of Equalization. A sub-

committee appointed by the Reappraisal Advisory Committee has studied the Board of Equalization appeals process and made legislative recommendations to make operations more smooth and effective. A committee made up of state officials from several agencies is studying the idea of implementing a statewide Geographic Information System (GIS) based on the property ownership maps developed for reappraisal. The Legislature has done its share of planning too; by requiring that all values be updated annually after reappraisal with a physical inspection of 25% of the properties every year.

In conclusion, the Kansas Reappraisal Program may not turn out as the optimum model for a statewide project. In spite of careful planning and the very best intentions, problems have been and will continue to be encountered. It is impossible to say that 105 county reappraisals will be completed exactly on January 1, 1989. However, Kansas has already accomplished many things that no other state has even attempted. A uniform statewide property ownership mapping program is well on its way to being completed in record time; every county has been computerized; one computer assisted mass appraisal system is being used throughout the state; and implementation of a statewide GIS system is a very real possibility. In short, Kansas has become a forerunner in the mass appraisal field and past indications are that the future will bring success.

The following source documents, unless otherwise noted, are the property of the Kansas Department of Revenue, Division of Property Valuation and are available upon request:

1986 Cumulative Supplement to the Kansas Statutes Annotated, Volume 6A, distributed by the Office of the Secretary of State (79-1476 et. seq.)

Real Estate Assessment/Sales Ratio Study 1984

Kansas Statutes Annotated, Volume 6A, distributed by the Office of the Secretary of State (79-1436b)

Constitution of the State of Kansas, distributed by the Office of the Secretary of State [Article 11, Section 1(b)]

Invitation for Bids for the Division of Property Valuation's Aerial Photography

Contract Agreement and Technical Specifications for Rectified Aerial Photography Enlargements for _____ County, Kansas

Contract Agreement and Technical Specifications for Property Ownership Mapping Services and Ownership Maps for _____ County, Kansas

Kansas Reappraisal Manual

Residential Data Collection Procedures

Rural/Agricultural Data Collection Procedures

Exempt Property Data Collection Procedures

Bidder Instructions, Reappraisal Specifications, Bid Proposal and Contract for the Proposed Reappraisal of Real Property for _____ County, Kansas

Invitation for Bids for Consultant Services for Computer Assisted Mass Appraisal System

KSCAMA Systems Requirement Definition (SRD)

Invitation for Bids for CAMA Software

KSCAMA User's Manual

"How We Support You And Your System" [DP-115 (11/86)], developed by Kansas Department of Revenue Data Processing Services

Division of Property Valuation Continuing Appraisal Education Course Catalog, 1986 & 1987

REAPPRAISAL UPDATE

George A. Donatello
Reappraisal Coordinator

HOUSE TAXATION COMMITTEE
January 26, 1988

I. Opening Remarks

Reappraisal Paper - Will be published in the March/April issue of Assessment Digest, a publication of the International Association of Assessing Officers

II. Section/Phase Status

A. Mapping

1. **Photo Enlargements** are 100% complete. There are approximately 29,645 map sheets statewide.

Aerial photo negatives are being stored at the Kansas University Map Library. PVD and the counties have immediate access to the film, or it can be transmitted to a qualified photogrammetry firm.

2. **Approximately 32 counties** have completed their mapping programs and received final delivery of all items. All counties have received some of their preliminary maps. All counties will have received 100% of their preliminary maps by the end of March 1988.
3. **Mapping** is 79.56% complete (1,113,500 parcels)
4. **Soil Overlays** - 77 counties are contracting; 28 are producing the overlays in-house. 7 counties are having their soils digitized and loaded into their systems.
5. **Map Maintenance** - 3 counties have submitted contracts for approval.

B. Appraisal/Field Operations

1. **Data has been collected** on approximately 48.4% (about 552,400 parcels) of the 1.14 million improved parcels in Kansas.

Counties and/or their contractor are required to quality control check 10% of the data collected

parcels. PVD quality control checks about 1%. So far our staff has maintained the requirement and checked 5,563 parcels.

2. **All but 10 counties** will have started data collection by the end of the month. They will all have begun by the end of February. All are contracted counties.
3. **Working on updates** or complete revisions to the Manufactured Housing Appraisal Guide and Grain Elevator Guides.
4. **Preparing benchmark guidelines** for appraising common types of commercial and industrial properties (including motels, mini storage warehouses, fast food restaurants, beef packing plants and shopping centers). This information will assist the smaller counties in particular.

C. **KSCAMA**

1. **The section** is averaging 50 calls per week from the counties.
2. **Release 3** and corresponding User Manual updates were sent to all S/36 counties. Testing for Release 3A has begun and 4 is in the planning stages.
3. **Enhancements** (requested by counties) to the KSCAMA System have been reviewed, sized, evaluated, and approved by the RAC. We are now in the process of contracting with CLT for the enhancements. Among others, enhancements included will provide:

The capability to define a more detailed description of dwelling age/depreciation

An additional link between the Assessment Administration file and CAMA through the Owner's Name field

More flexibility for performing user-defined calculations/reports

Additional online assistance and help

D. Use Value

1. **Grassland** - Most of the research relating to the preliminary valuation of grassland has been completed.
2. **Dryland** - Owners/operators in 84 counties have been interviewed relating to yields and production costs. Analysis of the data is complete, and preliminary value conclusions have been reached for most areas of the state. All of the interviews will be finished by May 1988.
3. **Irrigated Land** - The Irrigated Land Advisory Committee met on January 5th to develop "final" recommendations for dealing with the many variables associated with the valuation of irrigated land (type of system, depth of well, amount of water available, etc.). Their proposed procedures were presented to the RAC and approved on January 8th. Values will be established using a water ratio based on Gallons Per Minute Per Acre.
4. **Commercial Feedlots** - Some recommendations concerning commercial feedlots should be ready by mid-March. The Feedlot Advisory Committee will prepare a report for the RAC.
5. **Use Value Guidelines** - In order to secure the highest possible degree of uniformity, additional guidelines relating to the identification process for ag land are being prepared. They will include suggested procedures for accounting for possible adverse influences which may be present. The guidelines should be completed and mailed to the counties by the end of February.
6. **Final Values** - Final value conclusions for the various categories of land found in each county are scheduled to be completed no later than September 1, 1988.

E. Education

1. **13 schools** were held a total of 53 times in 1987 with over 1200 students. 18 schools (including 4 new courses and 3 new seminars) are scheduled a total of 60 times in 1988.

2. **The emphasis in 1988** will be on training in the most complex analysis techniques and in the hearing and appeals process.
3. **Three courses** are planned for non-appraisal government officials, including specialized training for county BOE officials. We are hoping that commissioners especially take advantage of the opportunity to learn and understand more about the appraisal process.

F. Public Relations

1. **Recently completed** a Use Value slide presentation and brochure. Copies of each have been distributed to all counties for their use.
2. **Currently working** with K-State to complete a slide presentation and brochure dealing with the appraisal of residential property.
3. **Projects for 1988** include a slide presentation and brochure on the hearing and appeals process.
4. **We also plan** to begin developing bimonthly press release packets for distribution to counties so that they can keep their local media up-to-date as they complete their projects and proceed toward hearings and appeals. The participation of an informed public is vital to the success of reappraisal.

III. Funding/Reimbursement

- A. **\$9.4 million** was allocated for FY88 for county reimbursement. \$4.5 million of that amount has already been distributed to the counties. \$276,500 was withheld to pay for the KSCAMA system and enhancements (any of this money not spent will be distributed back to counties in 4th Quarter FY88).
- B. **\$15 million** has been requested for FY89. This is the amount necessary to complete the 50% funding commitment for the total \$65 million cost of reappraisal.
- C. **Through the 3rd quarter** of calendar year 1987, counties reported that they had spent a total of \$29,943,998 on their reappraisal projects. Through the same period, the state had reimbursed them \$11,319,564. This results in a 37.8% actual reimbursement rate thus far.

- D. **Quarterly reports** were due in January 15th. Checks should be issued in about 1 month. Counties will receive about \$1.58 per parcel. Because of the importance of having updated plans at this juncture in the project, this quarter checks will be withheld until counties have a complete, approved plan on file.

IV. Reappraisal Advisory Committee

- A. **Although the full committee** met only twice in 1987, a number of sub-committees were active.
1. **Feedlot Advisory Committee** - Continuing to develop recommendations
 2. **Irrigated Land Advisory Committee** - Recently submitted final recommendations
 3. **BOE Appeals Sub-Committee** - Recently submitted final recommendations
 4. **CAMA/Tax Administration Interface Sub-Committee** - Recently appointed; first meeting is 1/21
 5. **Geographic Information System Sub-Committee** - Formation of the committee has been approved but members not yet appointed
- B. **Attached is a list of RAC members.** Some personnel changes have been made over the past year.

IV. Proposed Legislation for 1988

- A. **County Board of Equalization Appeals Process** - The Reappraisal Advisory Committee has recommended several legislative changes to facilitate the hearing/appeal procedure.
- B. **Certificate of Value** - This would become a public document and the information contained would be expanded so that all the pertinent sales data could be analyzed and used to help arrive at a more fair market value for each property.
- C. **We will seek some legislative assistance** in defining some terms as used for appraisal purposes, e.g. vacant lot.
- D. **We must also begin thinking of funding** for the maintenance effort that will begin in 1989. Each year counties must update all property values and conduct a physical inspection of 25% of all properties. We

believe that continued maintenance of the reappraised values will depend heavily upon continued state financial support.

V. **County Rating Status**

- A. 77 counties at Level 1 - On schedule; no major problems
- B. 23 counties at Level 2 - Some slight delay or a project too large for district appraiser
- C. 5 counties at Level 3 - Manager prepares written rpt
- D. NO counties at Level 4 - Technical non-compliance

VI. **Conclusion**

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