

**House Taxation Committee
SB 72**

Neutral Testimony to be presented via Webex

David Harper, Director
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Chairman Smith and Members of the Committee,

My name is David Harper, Director of the Property Valuation Division, (PVD), of the Kansas Department of Revenue, (KDOR).

SB 72 centers on the Kansas Department of Revenue's Registered Mass Appraiser (RMA) designation and our appraisal education program. The bottom line is the changes presented in SB 72 can be accomplished by PVD with a relatively small amount of additional time and cost for the Division. Today, I appreciate the opportunity to provide an overview of the program to hopefully assist the Committee in determining if the changes strengthen our overall training program for the Kansas County Appraisers.

Currently, under K.S.A. 19-430, no person shall be appointed as a Kansas county appraiser unless they hold one of four appraisal certifications or designations:

- The Kansas Real Estate Appraisal Board's, (KREAB), certified general real property appraiser license
- KDOR's registered mass appraiser designation
- The International Association of Assessing Officers residential evaluation specialist or certified assessment evaluation designation.

This bill would eliminate the recognition of the two IAAO designations from the statute.

I believe a valid argument can be made that the RMA could be the sole designation recognized as a requirement to be appointed. While the certified general license and the IAAO designations are highly respected credentials in the appraisal field and signify a high level of appraisal experience and knowledge, none focus on the multiple tasks a Kansas county appraiser must perform in accordance with Kansas law to the detail of the RMA.

The registered mass appraiser (RMA) designation was created in 1997 by the Kansas Legislature. Since that time KDOR has maintained the RMA and developed the rules and regulations to establish the qualifications. The requirements for the number of work hours and education hours for the RMA were patterned after the IAAO designation and KREAB licensing requirements, but with an emphasis on the duties and laws regulating county appraisers. The impact of limiting the designations accepted would be slight as the county appraisers rely primarily on the RMA as their qualifying designation. Currently we have 234 appraisers who have met the qualifications to be

eligible to be appointed as a county appraiser. Ninety-five percent of the eligible appraisers hold the RMA and that number will continue to grow.

SB 72 would also require all courses necessary to qualify for the RMA to be approved by the KREAB, and any continuing education courses required of the RMA designees not offered by PVD, to be courses approved by the KREAB. My understanding of SB 72 is that it does not prevent RMA requirements from including the same education courses we do today. What SB 72 would require is for PVD, and other mass appraisal education providers, to every year complete and submit an application, along with the required fee, to the KREAB for possible approval.

It is important to note the differences in the responsibilities of KREAB and PVD. KREAB's education program is developed for private appraisers. Their appraiser qualification criteria is set by the Appraiser Qualifications Board of The Appraisal Foundation, and do not emphasize mass appraisal techniques, or Kansas statutes establishing the duties of the Kansas county appraisers. An appraiser working solely in a county appraiser office is unable to obtain a license with KREAB, as they only permit 25% of the total required number of experience hours for their licensing to be earned through mass appraisal.

Mass appraisal techniques are the focus of PVD and the International Association of Assessing Officers (IAAO). Mass appraisal techniques are most commonly used in the valuation of real estate for property tax purposes. PVD does not hold or offer the IAAO courses, but rely on other education providers to offer these courses which focus on mass appraisal techniques.

The Kansas county appraisers are required to appraise approximately 6.75 million real estate parcels each year. The training and designation process in Kansas for our county appraisers is comprehensive and successful. PVD staff develop and instruct our own courses for RMA credit, courses which are specific to the appraisal and assessment of property in Kansas. These include courses on Kansas property tax law, Kansas property tax exemptions, personal property, oil and gas, land devoted to agricultural use and numerous courses dedicated to training on our computer assisted mass appraisal (CAMA) system, used by all 105 counties and maintained and supported by PVD. The PVD education program is self-funded through student registration fees. The fund covers computer equipment for our classrooms, including laptops for a mobile lab, costs for developing virtual classes, training for our staff, and funds to contract with private appraisers for assistance. In 2019, PVD offered 69 workshops and courses for 1,479 students. Last year, despite the interruptions from COVID, we still offered 52 sessions for 747 students.

By developing and instructing these courses with PVD staff, we are able to design them to be Kansas specific, and keep course and designation costs low for county appraisers and their staffs. The annual maintenance fee continues to be only \$25 for the RMA designee.

Thank you for your time and support of our appraisal education program at the Department of Revenue.