

**Senate Assessment and Taxation Committee**  
**SB 72**

*Neutral Testimony to be presented via Webex*

David Harper, Director  
Kansas Division of Property Valuation  
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Chairwoman Tyson and Members of the Committee,

My name is David Harper, Director of the Property Valuation Division, (PVD), of the Kansas Department of Revenue, (KDOR). We appreciate the opportunity to share today information and comments related to SB 72.

SB 72 centers on the Registered Mass Appraiser (RMA) designation as well as the duties of PVD and the Kansas Real Estate Appraisal Board (KREAB). The RMA is one of the four appraisal designation options listed in Kansas statute which an appraiser must hold in order to be qualified to be appointed as a county appraiser. In 1997 the Kansas Legislature created the Registered Mass Appraiser (RMA) designation. Since that time the Kansas Department of Revenue 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 Kansas General Appraiser certification issued by the Kansas Real Estate Appraisal Board. The RMA did differ though from the General certification in that we focused on experience and appraisal education related directly to the duties of our Kansas county appraisers. 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 rely on the RMA to meet the statutory requirements for holding a designation.

SB 72 would change the process so all education approved for RMA credit would now need to be approved by KREAB. My understanding of SB 72 is that the current draft 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.

When comparing the roles of PVD and KREAB, you will frequently hear the terms “single property appraisal” and “mass appraisal.” While single property appraisers and those specializing in mass appraisals share education and training on common appraisal principles, there are significant differences in the development and reporting requirements for each. All appraisers are required to comply with the Uniform Standards of Appraisal Practice (USPAP), however there are separate and specific Standards within USPAP for Mass Appraisal Development and Reporting.

Single property real estate appraisals are the focus of KREAB, and cover appraisals commonly done for purposes such as mortgage financing, new construction projects, estate and divorce settlements, property tax appeals, etc. A single property appraiser accepts individual appraisal assignments, inspects the property, completes the necessary research, and completes the report for

that individual property and moves on to the next assignment. A KREAB license is required for single property appraisers to perform mortgage financing related appraisals in Kansas. KREAB does recognize the differences in single property vs. mass appraisal in their regulations, as they only permit 25% of the total required number of experience hours for their licensing to be earned through mass appraisal. Currently I counted 228 education offerings on the KREAB website. I noted only 3 which referenced mass appraisal methods.

Mass appraisal is the focus of PVD and the International Association of Assessing Officers (IAAO) and is most commonly used in the valuation of real estate for property tax purposes. Mass appraisal is the process of valuing a universe of properties as of a given date, which is what county appraisers are required to do. County appraisers maintain data on all parcels in their jurisdiction in a computer assisted mass appraisal system, and with the data develop and test valuation models which then assist the appraiser in estimating values for the universe of properties in their jurisdictions.

PVD is a staff of forty full time employees. One of our primary duties is providing relevant training and education for our county appraisers. We do not hold or offer the IAAO courses, but rely on other education providers, similar to the KREAB practices on their approved education.

PVD differs from KREAB in that we 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. 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. 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.

In summary, I see two possible scenarios from SB 72 for our education and designation program.

- 1) PVD submits the approval requests each year, KREAB would approve all, and we would maintain the same education requirements we have today.
- 2) PVD submits the approval requests each year, but some courses very specific to the Kansas CAMA training do not meet the KREAB approval requirements, and are not approved for RMA credit. Our CAMA courses are the most attended sessions. I would anticipate counties would still pay to take, but now also pay to take additional courses KREAB to maintain their RMA.

Regardless of the outcome of SB 72, in 2021 we plan to review our RMA qualifications in 2021, including opening up for comments on the requirements. We do want to keep our designation relevant and consistent with other appraisal agencies.