

Appraiser's Office



Charter Commission June 23, 2021

Beau Boisvert, RMA
County Appraiser



Appraisal Process (paraphrased)

(K.S.A. 79-1412a) The duties of the County Appraiser are discovering, listing, valuing, and defending property values in a uniform and equal manner.

Roll & Authority

Dual Responsibility

- Certified by Kansas Department of Revenue (KDOR) to hold the position and appointed by the Board of County Commissioners (BOCC).

Authority

- Adhere to Kansas constitution and statutes for establishing property values.
- Answer to the BOCC in the effect the County is compliant with state law.

Accountability & Duties

- Accountable to KDOR and the County Commissioners
- Duties
 - Hiring of staff
 - Training of staff
 - Oversee budget
 - Long-term planning

How is Appraisal Value calculated?

- By state law, property is appraised at fair market value as it exists on January 1 of each year.
- What is fair market value?
 - The amount a well-informed buyer is justified in paying and a well-informed seller is justified in accepting in an open, competitive market.

How is Appraisal Value calculated?

- Local market sales data is analyzed and used to generate a property value.
- Property value is based upon its age, size, style of construction and replacement cost.
- Appraised value will go up or down depending upon the local housing market.
- When supply is low and demand for homes is high, property values go up.

Establishing Market Value

- **Sales Comparison Approach** - Comparing sale price of similar properties and adjusting for differences in specific components to establish reflection of sale price.
- **Cost Approach** - Sum of new replacement cost of improvements, minus the depreciation, plus the market land value.
- **Income Approach** - Valuing the property based on present value of future benefits of the property ownership.

Sales Comparison Approach

Define Key Requirements

- Valuation Date
- Time Adjustment
- Property(s) Characteristics
- Finance
- Conditions of the Sale
- Time on the Market
- Arms-Length Transaction

Cost Approach

Define Key Requirements

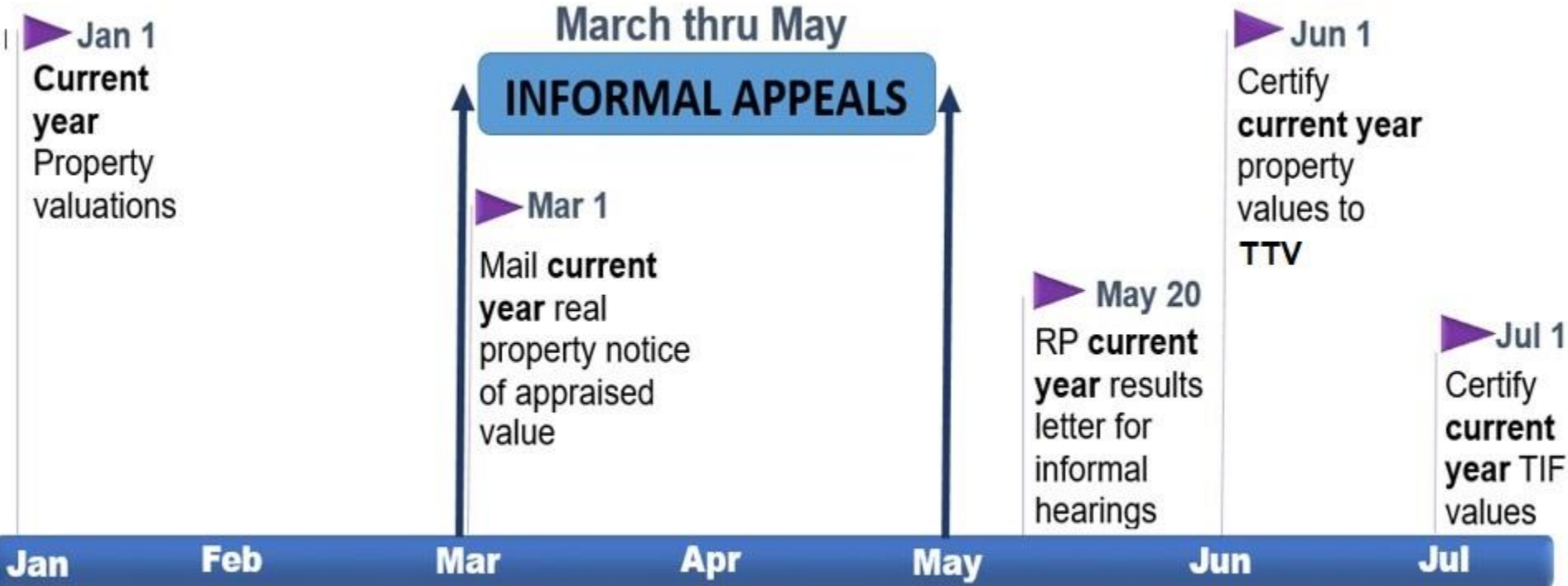
- Replacement cost new less depreciation
- Construction Age
- Effective Age
- Depreciation (Loss of value based)
 - Physical Deterioration
 - Obsolescence
- Construction components
- Market land value

Income Approach

Define Key Requirements

- The Principle of Anticipation
- Key Formula: $\text{Value} = \text{Income} \times \text{Factor}$
 - Value: Appraised Value
 - Income: Anticipated income from the property
 - Factor: $\text{Sale price} / \text{Gross income}$
- Compare the subject property to the market
- Expenses to operate the building
- Attributed to the property and not the business

Appraisal Timeline



Potential Appraisal Challenges

Litigation of Big-Box Store Appraisal Methodology

- *Dark store theory*
 - Presupposes that the property will suffer a negative issue once it changes hands in a future sale.
 - Supporters want current property values adjusted to reflect the possible issue.

Potential Appraisal Challenges

- Statutory changes made by legislature
- High turnover (retirement, new opportunities)
- Published court decisions
- Lack of creativity or ability to adjust

Ten Year Plan

- Reorganization
- Investment in technology
- Standardizing remote work
- Continue improving communication with public and government entities

Questions?

