



# APPRAISING THE PLAINS of Kansas



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## Capital City Site of This Year's KCAA Conference

Make plans now to join us in Topeka for KCAA's Annual Business Conference, June 8-11, 2008.



This year's conference offers a great mix of education and entertainment. On Monday evening enjoy the bluegrass band Pastense followed by a Tuesday night performance by comedy duo the M&M Sisters. You can also tour an intriguing Topeka landmark, the Matrot Castle, a real French castle built more than a century ago. Also on tap are our annual golf and bowling tournaments.



Don't miss a minute of the fun. Find more info and a registration form on pages 24-26.



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## Okay—It's My Turn

David Thornton  
Mitchell County Appraiser  
KCAA President

### Time for Values?

Are your values out yet? How many times have we heard that? We never have any hang ups to prevent us from mailing on time, do we!

My limited understanding at this point is the ORION counties are not mailing on time, as well as me! Thank you to those "Brave and Foolish" fellow appraisers of ours who are willing "to go where no man has gone before." The longer I procrastinate here, the more they have paved the way for me. Again, THANK YOU!!!

I hope to have a representative from each of the ORION counties and PVD as well for some good discussion at the conference to report to us how the costing, modeling, mailing of notices, hearings, etc., has gone this year. Maybe some of them will have mailed by then and will be able to give us a report.

We again received AG Values later than what I believe is comfortable for most of us. I visited with Tony Folsom to express my concern as to the seemingly later receipt of these each year! Yes, I was griping (sorry for crying on your shoulder, Tony), but it was MY TURN, and I wanted to take advantage of it as I knew there were going to be plenty of property owners taking advantage of theirs in a few weeks! I also asked someone else if all counties were going to receive an *automatic* extension, since we were receiving AG values so late. I was shocked at the response! NO! Imagine that! I guess not everyone has to give an account for adhering to timeframes. I suggested we consider rolling values for a year in order to give PVD time to catch up and quit costing the taxpa-

*It will be fun explaining this year as well why AG Values are going down when grain prices are what they are!*

yers more money by driving up the costs associated to the counties for extra paperwork and filing time, etc., for having to rerun paperwork etc.!

It will be fun explaining this year as well why AG Values are going down when grain prices are what they are! My two counties (Mitchell & Neosho) are going down 9.+% and 12.+% respectively. I remember not too many years ago prices for wheat struggling to be over \$3.00 a bushel and now it is a measly >\$11.00, not to mention the others! Oh well, it all comes with the territory, right?

I guess I should change and put on my POSITIVE attitude hat! I am looking forward to our conference! I think the reason I look forward to our conference so much is the fact that it means I will have certified values, hearings are over for a few days, and we all get a chance to catch up on what has happened over the last few months. It is a good chance for some fun, as well. The conference may be a bit different this year, so come and relax, have some fun, and enjoy the time we have.

Are you enjoying your life? How much we enjoy life is determined by our own attitude toward it and our determination to enjoy it, not by the influences of others. Sure, they can have an effect, but only to the extent we allow them to.



Gary Post, Lyon Co. appraiser (center) talks with a legislator and Dan Rowley (left), husband of Della Rowley, RMA Sumner Co.



Rick Stuart, CAE, Team Consulting, assists with the refreshments.



Elysa Lovelady, Butler Co. appraiser, visits with an animated legislator.

## '08 Legislative Reception

KCAA held their annual legislative reception at the Governor's Row House in Topeka on January 23. Approximately 45 legislators and 25 county appraisers attended. The atmosphere was relaxed with legislators often visiting with appraisers not from the area they represent. As always, a large number of legislators asked for their county appraiser and the appraiser was not there. Please plan early next year to be in attendance. Do not miss the opportunity to have some one-on-one time with your legislators.

**KCAA Appraising the Plains of Kansas** is a quarterly publication of the Kansas County Appraisers Association. KCAA invites readers to submit articles or topics of interest for inclusion in "Appraising the Plains." Send them to Cindy Brenner, KCAA, P.O. Box 988, Meade, KS 67864. Ph. (620) 873-7449. Fax (620) 873-2237. Email: [kcaa@sbcglobal.net](mailto:kcaa@sbcglobal.net)

## Board Meeting Highlights

■ **KCAA Executive Board Meeting**  
**Jan. 23, 2008, Topeka, 1 p.m.** (prior to Legislative Reception)

**Attendees:** Board Members David Thornton, Dean Denning, Bobby Miller, Gayla Godfrey, Jami Clark, J. Mark Hixon, and Elysa Lovelady. Education Committee Members Paul Welcome, Dee Carter, and Patty Isreal. Many other appraisers were in the audience to attend the legislative reception.

President Thornton called meeting to order. Elysa motioned to approve the minutes, Bobby seconded, Unanimous.

Accounts receivable were reviewed and several commented there was less outstanding. Review of year-end with total funds of \$91,578.18 and a net profit of \$440.

Jami moved to approve financials and Mark seconded. Unanimous vote.

David announced that Mark Neihaus has accepted the Treasurer's position, but he was not in attendance and there was no report. David handed out *Hawver's Capitol Report*.

As all Ed Committee members were not yet present, we skipped on the agenda to legislation.

**2008 Conference: June 8-10.** Location is Ramada Inn, downtown Topeka. Elysa is working on bowling and Monday morning, and Mark is working on golf. More details in next newsletter.

**Legislative:** Issues focused around oil and the personal property bill. There was discussion on low-producing wells and exemptions' impact on small jurisdictions. Jami spoke about a case in her county with large refund and the school district's impact. Mark gave a history of low production exemption. Dean indicated in his area of the state, the public is getting informed on the exemption. David indicated he had visited with John Reeder (O/G committee chair) about the meeting with PVD on oil price. David asked John to ask the Director his methodology on

setting price. It seems only industry has input on price. Dean shared figure provided by Rachele on exempt barrels in Barton County. They have 801 leases with 923,000 barrels exempt. It was suggested we ask KAC to present bill on oil. David has appointed Leroy Burk to KAC Policy Board. He will bring up. Paul suggested we contact the School Districts Association for support.

Dean indicated we should informally discuss with legislators at reception. Dean gave price as of Jan. 2, 2008: \$90.20 Ks. Common and \$85 Eastern Ks. Lynn indicates there is big deduction for sulfur, but he felt this is not correct. Mark Neihaus is tracking sales and annually sends that data to PVD.

John Reeder joined the meeting around 2:30 p.m. There was a guide meeting Jan. 11 in Grant County. John was meeting with Lynn today at 4 p.m. to provide input for price. Committee may suggest to KCAA hiring independent firm to review equipment prices. There was also discussion on-going to percentage tax or income tax instead of ad valorem tax. Need to reconsider low production bill going to barrel price break rather than barrels. John is asking PVD for industry info used for setting price. John is talking at KAC next week. He has also asked PVD to add verbiage to guide for sales comparison methodology so BOTA will consider this. KIOGA is to meet with PVD to set price next week.

**Orion:** Mark H. was at Orion meeting that morning. They are changing ad hoc reporting to custom reporting. Release 10 is out to PVD and will take 3 weeks to test. Marshall & Swift is revamping their costing system. 80% of current calls are on costing system. Market modeling seems to be working. Issues with Apex sketch program and security issues with I/E data. They are coming up with GIS interface but must have ARC IMS. Charlie can set you up with demo if you call him for password. Paul recommends going ahead with pre-conversion, and it will save time

down the road. PVD is working on setting up bulletin board to track defects and fixes.

To date state has invested \$2,267,000 and expect to spend another \$6,600,000 to extent of contract.

Rod Broberg joined the meeting and asked about KCAA status on SB 444 personal property \$1,500 exemption. David indicated the board addressed this at a past meeting and KCAA was not in support. Rod stated KREAB is pursuing mandatory licensing in Kansas. He contacted the board and it is being written and not available.

**Education:** It was discussed about the math tutorials Rick Stuart is writing. For #101, #102, #112, #201, and #300, it will be at total cost of \$4,000. Rick will provide on CD, and he has a couple done and will likely have all by May, but will have each done before the courses are offered. There was discussion on if to charge. Elysa indicated we had money in Treasury and classes replenish it, so she felt we should give to each county free. Jami made motion to purchase all 5 tutorials for \$4,000 to give the counties for free. Elysa seconded. David called for discussion. Jami amended her motion to purchase all 5 tutorials for \$4,000 to give free to all member counties with a decision on how to distribute at a later date and Elysa seconded. Motion passed.

**Other Business:** Mark motioned to make Larry Clark a Lifetime Member. Elysa seconded. Motioned approved. Dean announced NCRAAO in Green Bay June 15-17, 2008, at Regency Suites.

Dee discussed the problems she found with the CIME reimbursements and what she felt the intent of the bill was. She shared a copy of the reimbursement report her clerk had given her. Paul stated he did not feel this was the intent. There was no action taken.

**More Education:** Elysa announced SCIAAO is offering #300 in Wichita on June 2-6, 2008. Dee asked about #311.

**continued on next page**

Paul is checking to see if he has any staff that needs it. Elysa asked about locations for #101 and #102. It was recommended #101 would be in Topeka April 28-May 1 and #102 in Wichita or Salina Aug. 25-29. Bobby suggested we have more 1-day workshops. Dean suggested we might want to offer some classes if needed at break-even or possibly 75 % of cost. It should be discussed on case-by-case scenario if someone needs class. Dean moved if class doesn't break even KCAA Executive Board be canvassed to decide whether to hold class. Jami seconded. Discussions followed. Motion approved.

Jami moved we adjourned, Mark seconded. Motion passed.

## APPRAISAL: IMPOSSIBLE

By Mark Hixon, RMA

Your mission, should you agree to accept it, is to appraise the Phi Delta Theta fraternity house on the campus of Washburn University.

The stone house was built in 1926 on land owned by the university and leased to the fraternity for 100 years with the right to renew in 2026 for another 100 years for \$1.00. The land lease terms do not allow the lessee to transfer their leasehold interest or sell the house to anyone other than the university. And the lease is silent as to the terms of such a potential sale and any means for determining a price.

What we seem to have here is a situation in which it is necessary to appraise a property at its market value when none of the important elements of an arms-length transaction can be assumed. And because the property has a significant amount of deferred maintenance and functional obsolescence, the alumni association is proposing to close down the house for one year while it is refurbished to the tune of



## Salute the Endurers!

*Paying Homage to Longtime County Appraisers*



### Mike Montgomery, RMA Crawford County

#### Why and how did you get started in the appraisal profession?

After graduating from Pittsburg State, I sold and invested in real estate in Pittsburg from 1979 – 1985. Wanting to stay in the real estate field and be able to feed myself and my sole dependent, a Labrador retriever, I started working as a field appraiser in neighboring Cherokee County. Larry Clark left Crawford to go to Wyandotte County, and I was hired just as reappraisal was gearing up.

#### What did you want or intend to be when you grew up?

I originally wanted to be a veterinarian and was in the pre-vet classes for two years. I realized real estate was a better choice for me and loaded up on business and marketing classes.

#### If you could change one thing associated with your career, what would it be?

That I did not finish my narrative report and earn my CAE.

#### What person(s) has had the greatest effect upon your personal and professional life?

My parents, my family and many county appraisers.

#### How long have you been a county appraiser and where?

Twenty-one years as of 8/1/07, all in Crawford County.

#### What words of advice do you have for your fellow appraisers or any future appraisers?

Don't be afraid or embarrassed to ask for help when you need it. I never cease to be amazed how willing people are to help, if you just ask. Work hard but don't lose sight of the really important things in your life. No one ever says on their death bed, "if only I had spent more time at the office."

over \$1 million. Because of the fact that the fraternity can barely afford a tax bill on the current appraised value of \$167,000, the question has arisen : what will it be worth after renovation?

Given the terms of the lease, does it even have any value in exchange (market value)? What do you think?

Phi Delta Theta fraternity house  
at Washburn University



# KAC Regional Suppers

Submitted by Lisa Ree, RMA, Ellis County

The Kansas Association of Counties (KAC) has implemented their Regional Suppers in an attempt to get more information out to county officials. The first series of the 2008 suppers included Kansas Secretary of Revenue Joan Wagnon. Topics to be discussed are Orion, a future VIPS, and Kansas tax base erosion.

At the Hays regional supper on March 12th, Tony Folsom, deputy director of PVD, updated about 45 attendees on the history and status of Orion. Reminding us that the current CAMA system is based on 1975 technology, county appraisers expressed a desire for an updated CAMA system in the late 1990s. In 2004, 10 beta counties had the Orion system installed. Twelve counties are using Orion today and are expected to produce 2008 values. In 2007, PVD offered a centralized hosting of the Orion system to counties. According to PVD records, currently 29 counties are using the system.

Installation of Orion in all counties is scheduled to be complete in 2010. Nineteen counties are expected to convert in 2008, 21 counties in 2009, and 20 counties in 2010.

The cost to the state associated with Orion is expected to reach \$6.4 million through the final implementation in 2010. Annual support to Tyler Technologies and Marshall-Swift will be \$460,000/year. The cost to the counties depends upon whether they elect to be centrally hosted or locally hosted. Training costs will most likely be placed on the county, with most training being held in Topeka.

Carmen Alldritt, director of Vehicles, updated the attendees on the status of Project 2010 – Division of Vehicles Modernization Project. This project will integrate into one Vehicle system the three existing systems—VIPS, Kansas Drivers License System (KDLS), and Kansas Vehicle Inventory System (KVIS). The current VIPS experiences regular download failures causing incorrect fees to be applied and treasurer’s staff to manually correct

the inaccuracies. These inaccuracies result in KDOR issuing over \$10,000 in settlement costs to taxpayers.

The Kansas Association of Chiefs of Police has indicated support of a new VIPS system. Using the current system, trying to locate a vehicle involved in a crime with only a partial plate available can sometimes take the Department of Vehicles days to produce a list of possible vehicles. A new system would greatly lessen time to retrieve vehicle information. Also, the new system is expected to reduce paperwork immensely, with counties submitting information to the state online.

In May of 2007, a feasibility study was completed to document the department’s current requirements and processes. The study recommended a system that supports all licensing, titling, registration and inventory management for the Department of Vehicles. It also recommended purchasing an existing software package that would support all of driver and vehicle business processes. The estimated cost to replace the current VIPS, KDLS, and KVIS systems is \$40 million. This cost would be distributed over five fiscal years. The department is proposing a \$4 fee to be attached to every vehicle registration to pay for this software and implementation. As of yet, the Legislature has not

been approached with this project.

Joan Wagnon discussed tax base erosion, something we deal with continually. The property tax in Kansas has become a real estate tax, with residential real estate becoming an increasing part of the tax. In 1988 real estate was 44% of the total ad valorem tax base. In 2005 it was 65%. Residential real estate was 22% in 1988 and 40% in 2005.

While counties’ real estate values are monitored by the sales ratio, utility properties are not, nor are they audited by outside firms. Also, their appraised values are growing less rapidly than locally assessed real estate. In 1988, public utility properties made up 18% of assessed value. The current rate is 10%.

Ag land use values are kept low because of the statute that restricts the cap rate between 11% and 12%.

The secretary championed attendees to support reforms in tax policy. The last comprehensive review of the Kansas tax structure was completed in 1995. The study was shelved by the Legislature. Wagon noted that the challenge will be to find legislators and stakeholder groups who are willing to back tax reform proposals that will broaden the tax base and lower tax rates.

## So, What’s Changing?

As those pesky valuation notices have been mailed, curious minds were wondering what changes, if any, are being seen in the market. Some responses throughout the state are shown below.

County	Residential	Commercial
Johnson	-3% to +3%	
Shawnee	Most are flat	Flat to +2% to 4%
Atchison	Typically +4%	Typically +4%
Douglas	Generally flat	Generally flat
Sedgwick	Typically +3%	Typically +8%
Marion	+3%	Mainly unchanged
Crawford	Unchanged to +1.85%	Generally unchanged

## 2008 IAAO Annual Conference & Kansas Night

IAAO will host its 74th Annual International Conference September 7–10, 2008, at the Grand Sierra Resort in Reno, Nev. Make plans now to attend! Find more information, including hotel reservations, online at [www.iaao.org](http://www.iaao.org).

While in Reno, don't miss Kansas Night 2008 at the Silver Peak Restaurant & Brewery. See "wanted poster" for registration and prepayment details.



### IAAO Member News

#### New Member:

Ronald E. Tidwell, III, Sedgwick Co.

#### 5 Years:

David Knight, RES, RMA, Johnson Co.

#### 10 Years:

Clint Anderson, RMA, Sedgwick Co.

#### 15 Years:

Carl Miller, RMA, Ellsworth Co.

Phillip Dudley, RES, RMA, Johnson Co.

#### 20 Years:

Linda Clark, CAE, RMA, Johnson Co.

**Thanks for your support of IAAO!**



## IAAO Courses

**Course:** Course 101 Fundamentals of Real Property Appraisal\*  
**Date:** April 28-May 2, 2008, 8:30 a.m.–5 p.m.  
**Location:** Ramada Inn, 420 E. 6th, Topeka  
**Cost:** \$410  
**Instructor:** Rick Stuart, CAE

**Course:** Course 102 Income Approach to Valuation\*\*  
**Date:** August 25-29, 2008, 8:30 a.m.–5 p.m.  
**Location:** Reno County Courthouse, 206 W. 1st, Hutchinson, KS  
**Cost:** \$410  
**Instructor:** Rick Stuart, CAE

**Course:** Course 201 Appraisal of Land\*\*  
**Date:** Sept. 22-26, 2008, 8:30 a.m.–5 p.m.  
**Location:** Reno County Courthouse, 206 W. 1st, Hutchinson, KS  
**Cost:** \$410  
**Instructor:** Marion Johnson, CAE

Register online at [www.accesskansas.org/kcaa](http://www.accesskansas.org/kcaa) Education, KCAA Education

\*This class is approved for KREAB continuing education credit.

\*\*These classes will be submitted for KREAB continuing education credit.

## Boom to Bust?

In the July 2006 issue of *Appraising the Plains* was an article titled “Military Housing Boom” concerning the large projected increase in soldiers to Fort Riley. Not all things go as planned. Here are four articles that bring you up to date on this issue, and you can judge if the description “boom to bust” is accurate.

### **Fort Riley buildup created unfulfilled expectations Predicted housing boom never happened, left city in debt**

By Tim Carpenter, *Topeka Capital-Journal*, Sunday, Feb. 24, 2008  
*Reprinted with permission.*

JUNCTION CITY — Residents of this blue-collar military town welcomed the forecast of an economic perfect storm in the Flint Hills. Years of population decline and monetary stagnation in Junction City were about to be reversed. Residue of the Big Red One’s agonizing transfer from nearby Fort Riley to Germany more than a decade before would be wiped away forever. Raw material for newfound prosperity was the announcement that more than 8,000 Army soldiers would be reassigned to Fort Riley. These warriors and their families would trigger unprecedented demand for cars, schools, shops, restaurants, services and, significantly, homes in Junction City.

Something akin to a gold rush ensued. But the rush to build has left the city deep in debt. The troops came, about 5,500 so far, but many couldn’t afford the new homes and instead are living on base, in rental properties in Junction City or in other communities.

Back in 2005, Larry Cope, the Geary County-Junction City economic director, compared the troop surge to landing a Toyota manufacturing plant. Then-Lt. Gov. John Moore was certain the population in the Junction City area would quickly double to more than 30,000. Home developer Larry Sinks imagined a feverish construction atmosphere that would feel like the “Wild, Wild West.” Carol Gould, the city’s public relations director, promised expansion “beyond your imagination.” “It makes my head spin,” city manager Rod Barnes, giddy at the chance to

be an architect of renewal, said at the time.

Nearly three years into the experiment, Barnes now says the word “phenomenal” aptly described the city’s annexation of 1,400 acres and work to enhance housing and expand the local economy. If given a chance to redo the process, he said, the only change would be to spend more time talking to the public about the city’s progress. “It’s been a good experience,” he said. “We’re going to continue to grow.”

However, a group of disenchanted residents formed the Junction City Taxpayers Association to raise questions about the manner in which local government leaders marched into the future. More than 500 people attended a recent meeting sponsored by the dissent group.

“So far, Junction City has built a ghost town for phantom soldiers, while the city commission steadfastly insists that they are right,” said Pete Robertson, a lawyer and former city commissioner who helped form the taxpayers association. “I fear for the town. I hope I’m wrong.”

This city of nearly 20,000 — the precise number is disputed — has taken on \$190 million in public debt and interest that must be paid off in 20 years. Since the development push began in 2005, the value of general obligation bonds held by the city climbed from \$19 million to \$51 million.

The taxpayers association says debt per capita in Junction City is five times the level in Manhattan and 10 times greater than in Abilene and Clay Center. All of these communities strive to capitalize on the arrival of soldiers at Fort Riley. Junction City Mayor Mike Rhodes said the vocal minority hadn’t convinced him the city was slipping off the right path.

“Of course,” Rhodes said, “I’m concerned about the debt. We feel that we are progressing on the right course and

that we are positioning our community for great things in the future. We are trying very hard to balance all of this without overburdening the taxpayers,” he said. “We are trying to increase the tax base and help offset the dollars associated with the growth. Later in 2008 and in the start of 2009, I think we will really see the growth starting to come to fruition.”

City commissioners spent millions of dollars to finance incentives for developers to launch the quick-reaction housing boom. City Hall also invested millions of dollars to install water lines, sewers, streets and other infrastructure in dozens of new subdivisions.

George Marcus, a homebuilder and founding member of the taxpayers association, said it didn’t make sense that the city felt compelled to offer incentives for development given its firmly held belief the influx of troops would fuel growth. Marcus said savvy, experienced developers were able to extract extraordinary concessions from the city, especially from Barnes. “There is no other rationale,” Marcus said.

Documents related to a federal lawsuit filed last May in Kansas City, Kan., add a layer of support to Marcus’ contention. Documents say developers of The Bluffs, a massive apartment complex built in Junction City, believed Barnes was a pushover in negotiations. Kansas City-area developer D.J. Christie, according to the lawsuit, boasted in 2005 that he convinced Junction City to condemn a building and then pay him \$1 million in incentives to refurbish the structure. He bragged that it was “like taking candy from a baby,” according to the lawsuit, which was filed by a former business associate of Christie’s.

In addition to bonds for residential infrastructure, Junction City residents prepared for growth at the Army base by passing a \$30 million school bond issue to improve classroom spaces

**continued on next page**

and a \$34 million bond issue to expand Geary Community Hospital.

Other city resources have simultaneously been devoted to attracting new employers and to support quality-of-life projects. Two renovations, with a price tag of \$1 million for a baseball stadium and \$5.6 million for an opera house, sparked controversy. Agents of the Kansas Bureau of Investigation have been in Junction City asking questions about financial affairs tied to city-linked projects. Junction City Vice Mayor Mick Wunder said all of the negative chatter was disturbing. "It hurts me to see people argue and fight," he said. "We're our own worst enemy."

At this point in the military growth spurt at Fort Riley, it appears Junction City officials misjudged the pace of expansion in the off-base population. Less than one-fourth of 16,000 anticipated new residents settled in the city. Perhaps it was uncertainty tied to prolonged fighting in Iraq and Afghanistan or a general reluctance to live in Kansas, but fewer new Fort Riley soldiers than expected moved families to this state. Those making that transition complained of single-family home prices beyond their financial reach, which led to requests by Fort Riley officials for construction of quality, affordable housing. "We find a lot of houses to buy, but not a lot of units to rent," said Alison Kohler, a spokeswoman at Fort Riley.

City and military officials agreed that about 9,000 new residential units would be needed for off-post housing in seven counties surrounding the base by 2013. Historically, Junction City has attracted 40 percent of the soldier population living outside of Fort Riley. That means the city could have reasonably expected to fill 3,600 new units.

Problem: Junction City already has more than 6,000 units.

A glut of new single-family homes prompted a construction slowdown in the area. New subdivisions on the city's west side are adorned with new black-top streets, fresh concrete curbs, red fire hydrants and green utility line pipes. Conspicuously absent from these neighborhoods are actual houses. Ben Kitchens, a member of the taxpayer as-

sociation in Junction City, said the city ought to take a shot of wisdom from Alcoholics Anonymous.

"They're in denial," he said. "The first step is to admit you have a problem. Then work at fixing your problem." The association's members seek restrictions on future spending by the city and a cap on tax breaks distributed to commercial and residential developers. They also seek more information on public spending.

Jack Taylor, a member of the Junction City Commission, said he was unable to convince fellow council members to take a conservative approach to city investment tied to the federal Base Realignment and Closure Commission's decision in 2005 to expand troop strength at Fort Riley. He said he pressed the past few years, including one year as mayor, for more comprehensive strategic planning, greater fiscal analysis and a slower pace of growth. It is likely, Taylor said, the state could eventually be called upon to save Junction City from financial ruin. "I don't see how we're going to come out of it any other way," Taylor said. "We've incurred way too much debt. We're almost in a state of emergency here, I feel."

State Sen. Roger Reitz, a Manhattan Republican who represents a district that includes Fort Riley, said people working together should get through Junction City's growing pains.

"Everyone wants Junction City to weather this storm and go on and be stronger."

### Junction City homes ready, but unsold

By Michael Hooper, *Topeka Capital-Journal*, Sunday, Feb. 24, 2008  
*Reprinted with permission.*

JUNCTION CITY — Black mold had grown inside a duplex that sits empty in a new subdivision on the western side of Junction City.

The new duplex is one of hundreds of homes that remain unsold since the bubble burst on a Junction City building boom that was ignited by news the

Army's 1st Infantry Division, the Big Red One, was returning to Fort Riley from Europe. Unoccupied and exposed to the elements, the duplex has had much of its sheetrock and carpet torn out because mold is a health hazard. It is a metaphor for the four-year building boom gone bust. Construction halted last fall when home sales slowed. Whole fields with newly constructed streets and sewers await new construction. Yet prices of new homes are falling because of an oversupply, real estate agents say.

Four years ago, the town lacked housing, so new homes sold within a few weeks. Today, about 443 homes are for sale in Junction City, but that is expected to climb by another 100 to 200 homes that are in various stages of construction. The average number of days for a new home on the market in the city was 141 in 2007. "That is quite a bit of inventory," said Laurie Crites, president of the Junction City Board of Realtors. "I think it is overbuilt now. There was too big of a boom too fast."

Fort Riley announced in 2005 it was undergoing a troop buildup. Around 15,500 soldiers are stationed at Fort Riley now, but more than half are deployed. Crites said the Army announced the number would increase to 18,600, but now the Army is saying that won't happen until 2013. Meanwhile, the community has constructed two new schools and is spending millions of dollars to improve its hospital.

Builders originally were told families would come with the soldiers, but that isn't happening. As a result, soldiers are preferring to rent rather than being tied to a mortgage.

And knowing their soldiers likely will be deployed after transferring to Fort Riley, some families are staying put, wherever they are living now, rather than moving to Kansas.

"Not as many families have come to settle," said Rep. Barbara Craft, R-Junction City. "That number is not as large as predicted."

The community also has learned many soldiers can't afford the new homes and would prefer to lease an affordable apartment. Several new apart-



ment complexes, including Hunter's Ridge and The Bluffs, have sprouted up. Crites said rental units were filling up.

"They built a ton of rental apartments and rental houses," Crites said. "They're still building."

Last year, 504 homes sold in Junction City, with an average price \$140,809 — which is out of reach for most soldiers. The largest group of soldiers, those in pay grades E-4 to E-6, can afford a maximum rental cost of \$676 to \$882 per month and can afford to buy a home priced between \$81,467 and \$141,353, according to Fort Riley staff members. The second-largest group of soldiers, in the E-1 to E-3 ranks, can afford a maximum of \$676 monthly rental payment and can buy a home priced between \$66,312 and \$89,514.

Crites said no one could build a quality home for less than \$100,000 unless the land was free.

Post housing accommodates 3,114 soldiers and their families. The remaining 4,200 soldiers and their families live off post. By 2013, the post expects to be able to accommodate one-third of its soldiers and families. The rest of the soldier population, the majority of who are between the rank of E-4 and E-6, will have to be housed off post. That is the group that will grow "rapidly" until 2013, according to Brig. Gen. Keith Walker, assistant division commander of operations. Walker spoke Feb. 11 during a Greater Fort Riley Community Partnership Conference.

City officials don't see the unfinished homes and subdivisions as a liability.

Rod Barnes, city manager, said Junction City isn't overbuilt. He said the city has approved 56 new subdivisions since 2004. If all subdivisions were filled in with new homes, that would create more than 6,000 housing units. Among that 6,000 are about 2,200 single-family home lots with streets, sewers and other infrastructure, but no actual houses. "We've got opportunity for that growth," Barnes said. "I don't think we're overbuilt. We're going to see a rush as two brigades come back this year. We'd be in big trouble if they

brought all the troops home."

Mayor Mike Rhodes, in his state of the city address Monday, said that in 2007 the city staff inspected 1,447 residential and commercial projects, representing \$141 million in valuation and generating \$1.1 million in fees. "We've not had this kind of growth ever," Barnes said.

But Scott Johnson, a realtor with Century 21 Matlock Johnson Realtors, disagreed with Barnes' approach. Johnson said the community would have been better off if the city had developed new subdivisions in phases, adding perhaps 100 houses at a time rather than opening it up like the Wild West. Now, Johnson said, there is scattered home development, with many incomplete. Johnson said he was worried the city and ultimately the taxpayers would be responsible for all of the millions in debt the city has incurred building streets and sewers and providing incentives for developers. While driving around town, he pointed out some empty fields at Sutter Highlands and Oliva Farms.

"This whole development should have never been started," said Johnson, whose family has lived in Junction City for more than a century. "We try not to be a junk town," Johnson said. "But look at what happened."

Beth Mathis, broker/owner of Mathis Lueker Realtors Developers, said Junction City could stand to triple in population as a result of the troop buildup. But others said her prediction is an exaggeration. "I'll make a whole lot of money selling homes, but I'm not for it," Johnson said. "Warren Buffett owns Dairy Queen," Johnson said. "You wouldn't see him cook 500 extra hamburgers for lunch. That's what we've done here."

Lowell Kohlmeier, executive vice president at Kansas State Bank in Manhattan, said the bank hasn't shut down lending in Junction City and Manhattan, but bankers are cautious.

"We're not pushing for new spec homes," Kohlmeier said. "You don't want to see any builder fail, because it is somewhat of a feeding chain." He remains optimistic two new brigades coming to Fort Riley later this year will

improve the housing market.

"We just have to be able to wait it out," Kohlmeier said. Crites said the number of real estate offices increased to 12 from six a few years ago. The number of realtors jumped to 108 from 45. "It's going to take people with stamina to get through it," Crites said. With prices falling and interest rates low, she said, buyers could find some deals.

### Former Ft. Riley soldier still making house payments after moving to Georgia

*Topeka Capital-Journal*, Sunday, Feb. 24, 2008. Reprinted with permission.

Staff Sgt. Dorian Raines, 38, and his wife looked at numerous homes in Junction City and Manhattan before settling on a newly constructed house for \$200,000 in Junction City.

Raines had lived in base housing for most of his 19 years in the Army. The Junction City home, bought a year ago, was his first home purchase. "I thought I was going nowhere else," he said. "That was going to be my retirement home. Things happen."

After living in the home for six months, Raines received orders to move to Fort Stewart, Georgia. Now, the house is one of nearly 443 homes for sale in Junction City.

With a glut of homes available and the national housing market mired in a deep slump, prices are falling in Junction City. But Raines had little choice but to put the home up for sale, because orders are orders.

Deb Skidmore, media relations officer at Fort Riley, said the transfer of soldiers depends on their specialty and needs for the war effort. "If there is a shortage, they will pull them," she said. "Usually, they are here longer than six months. They obviously need his talent."

Raines said when he arrived at Fort Riley, he went to a small party where someone recommended he talk with Scott Johnson, a realtor with Mat-

**continued on next page**

lock Johnson Realtors in Junction City. "We looked at three to five homes — my wife loved this one," Raines said.

He wants \$205,000 for his house, but getting his asking price might not be easy. Many new homes listed on the Junction City Board of Realtors Multiple Listings Service say "price reduced."

Johnson said he always asks potential buyers if they plan to remain in the home for at least three years before selling it, but unfortunately, that doesn't always work out, as in the case of Raines. "It was a lovely home, perfect for my family," Raines said. "I'm still making payments. That is the one thing that is difficult."

### Developers want help with costs

#### *Building boom in Junction City causes problems*

By Michael Hooper, *Topeka Capital-Journal*, Sunday, March 02, 2008  
*Reprinted with permission.*

JUNCTION CITY — Local and out-of-town developers argued Saturday over how to pay for subdivisions designed to serve housing needs of soldiers at Fort Riley.

Developers from Lawrence and Junction City argued for two hours and 40 minutes Saturday at the Junction City Municipal Building, with about 100 people in attendance.

Brennan Fagan and Trey Meyer, Lawrence attorneys who represent Big D Development, said they want help with development costs for housing subdivisions. Big D Development, which is owned by several partners including Fagan and David Freeman, has spent nearly \$20 million developing 538 lots in Junction City. "If it's 100 percent on us, we have a very bad problem," Fagan said.

The building boom started in Junction City in 2005 after the U.S. Army announced the Big Red One would return to Fort Riley. Studies at the time showed a need for another 6,000 housing units. The building boom went bust after the community found out soldiers' families aren't moving to Junction City,


and many soldiers prefer to rent. The Army says the build up will continue through 2013.

Fagan said Big D Development sought a Rural Housing Incentive District for Olivia Farms, Sutter Woods, Sutter Highlands and Mann's Ranch, which the Junction City school board and city council approved last fall. The district would have allowed bonds to be issued to pay off costs associated with preparing the land for home development. Property owners living in those subdivisions would pay off the bonds over a 15- or 20-year period.

But when Geary County commissioners met Dec. 17, the Junction City Taxpayers Association protested and commissioners voted 2-1 against using the Rural Housing Incentive District program. Without that assistance, the development costs will be passed onto the owner of the lots in the form of special assessments. The exact amount of the specials isn't known yet, but one estimate from the Lawrence attorneys shows \$26,878 in development costs per lot in Sutter Woods.

The Lawrence developers said they paid \$37,000 per acre from Dave Alexander and George Marcus, members of the Junction City Taxpayers Association. Scott Johnson, a Junction City developer and member of the Junction City Taxpayers Association, said the Lawrence group paid too much for their land. Patrick Gideon, president of Silver Lake Bank, said his bank financed land purchased by the Lawrence group. He said the city's agreement with Big D Development shows the city is responsible for the development costs.

But Johnson said the city had no authority to promise the Lawrence developers that the city, the school board and county commissioners would approve the Rural Housing Incentive District. That RHID program isn't fair, Johnson said. Johnson said he has no problem with the city picking up 10 percent of the development costs and the lot owners 90 percent, but the city has too much debt. Fagan said he wants the city to revisit the Rural Housing Incentive District again, even though it could take six months.



*"NCRAAO does a wonderful job covering topics targeted at smaller jurisdictions."*

[www.ncraao.org](http://www.ncraao.org)

### NCRAAO Annual Conference: June 15-17, 2008

By Bruce Wright, RMA, Dickinson County Appraiser

Greetings everyone from my new digs in Dickinson County. I have been asked by Rick Stuart (arm twisted, actually) to say a few words about the upcoming NCRAAO conference in Green Bay Wisconsin.

It has been my pleasure to attend the last four conferences, three of them as your NCRAAO board representative from Kansas. And I must say that as IAAO conferences are well-suited to larger districts, NCRAAO does a wonderful job covering topics targeted at smaller jurisdictions. Some examples of this year's selections are Rural Assessment Issues, GIS for Small Jurisdictions, Appraising Large Dairy Farms, and many other "rubber hits the road" issues for the 90% of us with less than 50,000 parcels.

These conferences have been far and away the best I have attended during my sojourn as an appraiser, and the cost at \$200 is not a budget buster.

The conference also offers a golf tournament and spouses tours along with tours of Green Bay Packers facilities. Please go to [www.ncraao.org](http://www.ncraao.org) for full information on the annual conference to be held June 15-17, 2008.

## Appraiser Accepts Barton County Job

Pam Soetaert, *Russell County News* Reprinted with permission;

Barbara Konrade-Stierlen, who has been the Russell County appraiser since 1996, soon will leave that job to become the Barton County appraiser. Her last day working at the Russell County Courthouse will be Friday, March 21, and she will start in her new job, Monday, March 24. She will finish the unexpired term of her predecessor in Barton County, Kyle Radenberg, and a term which lasts until July 2009. The terms of all county appraisers in Kansas run at the same time.

Konrade-Stierlen said she is looking forward to the job in Barton County as a new challenge for her. My background is appraising commercial properties, and I'm looking forward to having more commercial to appraise, she commented. Also, she said she has enjoyed her time in Russell County, especially working with the county's people, such as her office staff, the taxpayers, and the county commissioners.

She said, as the appraiser for Barton County, I look forward to meeting and working with new people.

In her job as Russell County appraiser, Konrade-Stierlen calculated values of real estate; personal property, such as boats and motor vehicles; business equipment; oil and gas leases; and oil field equipment. She said, "(The) biggest challenge would be setting fair and equal (property) values to all taxpayers."

She and her husband, Ralph Stierlen, have six children. Although the couple will rent or buy a residence in Barton County, they plan to keep their house in Russell. Ralph Stierlen will continue to operate his home-contractor business in Russell.

Lenny Tyson, Russell County public services administrator, said the state of Kansas appoints their (county) appraisers. Each appraiser is appointed to a four-year term.

The county commissioners appoint the appraiser. As to what Russell County will do to replace Konrade-Stierlen, Tyson said the matter will be discussed by the county commissioners. Tyson said Russell County could advertise its appraiser's position and review applicants. Also, the county could hire a company to do the county's appraisal work. If these two options don't succeed, then the state of Kansas could do the appraisal work and bill the county for the service. The time we have between now and the end of March, we feel we'll be able to find somebody, hire a company, or resolve this in such a way that the state doesn't have to come in, Tyson said.

In praise of Konrade-Stierlen, Tyson said, "She's been an excellent county appraiser, and she's just done an outstanding job during the time she's been here in Russell County."

## Kenton Lyon: Russell County's Appraiser in Training

My career in appraisal began in Ellis County in 1995. The county needed an oil clerk and I needed a job. Little did I know my dreams were about to be fulfilled. As a child growing up in the '60s and '70s, I dreamed of becoming an astronaut. Uttering the phrase "Houston, we have a problem" is as close as I've ever gotten to fulfilling that dream. However, I do get to mutter that phrase often in this profession.

I owe a great deal of my professional career to my Ellis County family and to Melanie Rowison and my PVD family. Personally, I've also been blessed to work with and to get to know quite a few of you folks over the years. Your kindness and support is something that continually amazes me.

Currently, I'm employed as the deputy appraiser in Russell County. And I'll be busy attending classes and taking exams in order to obtain my RMA. A yet-to-be-named contractor

will be the appraiser and will sign off on my work until the next appointment year. At that time, I should have the credentials in hand and be ready to shed my "deputy dog" badge for the silver star of the appraiser.

I'm married to Kim, who teaches 2nd grade in Hays. Our daughter Kaley is a junior at FHSU and reports for the *Hays Daily News*. Rich, our son, is a freshman at Hays High. We live in Gorham and keep busy renovating our property. Keeping the apartments rented, renovated, and occupied is a good second job for all of us. I also enjoy hunting and fishing with Rich whenever possible, cutting firewood, and church activities to round out the rest of our waking hours.

I look forward to the challenges of the days ahead and to continuing to work with you and the good people of Russell.



### A Rambling Thought...

By Rick Stuart, CAE

I recently saw a sweatshirt that said, "I refuse to tiptoe through life only to appear quietly at the gates of heaven." I liked that but thought it could also go something like this: "I refuse to tiptoe through life as an appraiser only to go quietly into retirement." So send out those notices and irritate some people along the way!

## Letters Address Questions About Orion

In November 2006, Mark Niehaus, Graham County appraiser, shared his concerns about the Orion system with then-KCAA President Joleen Rankin, Dickinson County appraiser. Last month, Mark Beck, PVD director, responded to Mark's letter. We've reprinted both documents here for other appraisers who may have similar questions about Orion.

### Letter from Mark Niehaus, Graham County appraiser, to Joleen Rankin, Dickinson County appraiser, Nov. 12, 2006.

Joleen,

I am very concerned about the new Orion system and where it is taking us. From how it was determined that we needed a new CAMA system to the implementation of this new system I perceive many negative items.

The counties were not asked if we needed a new CAMA system and I don't know if a few counties requested it or if this decision was made by PVD alone, but that's past history. I'm looking to the future.

Currently our present CAMA system produces results in compliance with state and PVD guidelines. Our parcel data has been collected, quality controlled, and entered into our current system. We have made modifications to our current system, such as additional modification codes, additional OBY types, different depreciation tables, and different ICS for different users, as needed to produce accurate market values. Our personnel are well trained and can produce reports, values, and updated individual records in a very timely manner. Our tax software vendor already has the software interface to bring the information and values to their tax programs, at no extra cost to the county. We can explain how we developed our values to the taxpayers and can successfully defend those values before BOTAs. We need no additional computer hardware or hardware maintenance agreements to use our current CAMA system. It works!

My concerns about the new Orion system are

- 1) Will it produce significantly more accurate market values?
- 2) Will this system be faster than our present system?
- 3) How much training will staff need to become proficient in its use?
- 4) Will the training be held locally at no cost or will the counties be responsible for the class costs and staff subsistence?
- 5) Will we be able to modify this new system for the counties' individual needs as listed above?
- 6) Will we have to collect additional data on a significant number of parcels?
- 7) Will additional staff be needed to complete this system change in a timely manner?
- 8) Will we need additional staff to maintain and use this new system?
- 9) Will this system be defensible and/or understandable by taxpayers and BOTAs?

- 10) I understand additional computer hardware will be supplied by PVD, but will the counties be responsible for the additional costs associated with this hardware such as maintenance agreements and future hardware replacements?
- 11) Will there be additional costs for associated software such as MS Access and other programs?
- 12) Will the counties be responsible for the costs of the counties tax software vendors' new interface programs to bring the information and values from Orion into the counties' tax programs? These could be very significant amounts.
- 13) Is the Orion program ready to use? None of the Orion beta counties have completed an entire tax cycle, wouldn't it be prudent to delay implementation until a complete cycle has been run by both large and small beta counties so any unforeseen problems with Orion could be corrected?
- 14) Will PVD meet with county commissioners to explain why our offices will need significantly larger budgets, possibly more staff, with more classes and field work, to produce the same thing we are doing now?

Depending on the answers to these questions, we could be looking at the new Orion system producing similar or not so similar values to our present CAMA system, taking longer to use, requiring more staff, more class costs, more staff out of office in classes and data collection, unable to make changes for the modifications we had in the present CAMA system, with less confidence in the values produced in the eyes of the taxpayer and BOTAs, costing the counties for tax vendor interface programs, and additional computer hardware and software costs. We also could be looking at receiving Orion program fixes and then fixes for the fixes as more problems are discovered.

We were told that we could retain our present CAMA program but that PVD would stop supporting this program in the future. Most counties are proficient enough with this program that I suspect that the CAMA support section is not over burdened by county requests.

It would be my request that we obtain an assurance that the present CAMA system receive continued support by PVD, either by obtaining this from PVD or through legislative action. This might be something we add to our legislative platform. If that is not possible I would suggest that a private vendor be utilized to continue this support. An annual fee for this support would be much less costly than the alternative.

I would like to see a questionnaire sent to the counties asking if they have questions similar to the one I listed above,

if they plan to use the Orion system, or if they would prefer to continue with the present CAMA system if support can be continued. If we could do this and have the results back before KAC we could discuss this in the executive board and possibly with the director at our meeting.

**Response from Mark Beck, PVD director, to Nehaus' letter, Feb. 28, 2008.**

Dear Mr. Niehaus,

This letter is in response to your letter that was sent to Joleen Rankin, Dickinson County Appraiser, in which you raised concerns about the Orion system.

**1. Accuracy of values/defendable before taxpayers and BOTAs.**

Any computer assisted mass appraisal (CAMA) system is merely a tool to be used by an appraiser in arriving at valuations for properties. Defending valuations before taxpayers and BOTAs should not be any different for the Orion system versus the current CAMA system.

**2. Training.**

Training will be provided by PVD staff to county personnel at no cost in Topeka and in remote locations throughout the state. Counties will be responsible for staff subsistence while attending the training. Also, our field staff will be available to provide assistance in county appraiser offices. Finally, the availability of Orion in a preproduction format through central hosting will allow county personnel to learn Orion before going into fill production.

**3. Will there be additional collection of data required.**

If any additional data is required it can be collected when performing the yearly view and inspection of properties required by K.S.A. 79-1476.

**4. Additional staff.**

We have not indication from any county that additional staff is necessary. As noted above, the availability of Orion in a preproduction format through central hosting will allow county personnel to learn Orion before going into full production.

**5. Costs:**

State: \$6.4 million through final implementation in 2010, includes costs for the original Kansas-tailored system requirements, software design and development, licenses, hardware costs for the state and counties, maintenance and support.

Annual support payments thereafter to Tyler Technologies and to Marshall and Swift Valuation Services – \$460,000/year.

Counties: Centrally Hosted

Direct costs:

County appraiser staff Orion training

New printer(s) if needed

Future PC replacement and licenses

Indirect costs:

Microsoft licensing fees estimated at \$430/PC for other county offices that will require access to the Orion system.

Changes to tax interface programs

Locally Hosted

Direct costs:

County appraiser staff Orion training

New printer(s) if needed

Approximately \$7,140 for a tape backup server, racks to mount servers and switches and cables to connect the servers

Software maintenance and upgrades

Future hardware replacement, including servers and PC's

Ongoing hardware support and maintenance

Indirect costs:

Microsoft licensing fees estimated at \$430/PC for other county offices that will require access to the Orion system

Changes to tax interface programs.

When a county chooses the option for centralized hosting there are no additional costs to the county associated with purchasing hardware or for server or tape backup maintenance agreements. If the county needs their DSL access increased in order for centralized hosting to work properly, the state is absorbing the additional costs for the updates at this time. The state is purchasing a predetermined number of personal computers (PC5) for counties who do not currently own PCs powerful enough to run Orion. A typical PC has approximately a three-year economic life span. Therefore, as technology moves forward and the Orion vendor, Tyler, takes advantage of more advanced window products, new PCs may need to be purchased by the counties.

If a county chooses to host Orion locally, additional costs will be involved. The county may need to spend up to \$7,000 for racks to mount the servers, switches and cables to connect the servers plus purchase, if the county does not already have one, an additional server to be used for tape backups. The county will be responsible for software maintenance and server upgrades. At this time, the amount ranges from \$120 a year for backup software maintenance to around \$3,000 - \$4,000 per year budgeted for future hardware replacements and ongoing support and maintenance.

Concerning software costs, MS access, SQL and Windows client access licenses (CALs) are purchased by the state for each PC that the state purchases for the appraiser's office. No additional costs for associated software are required until such time that Orion shifts to a newer version of windows or SQL. At that time, new licenses would need to be purchased by the counties.

**6. Reliability of servers and Orion I is Orion working/speed of Orion.**

continued on next page

**Orion continued**

We are purchasing and recommending Dell servers. The state uses Dell servers for other applications and they are very reliable. In regard to speed, faster processing time is not one of the advantages of Orion over the present CAMA system. However, the technology of the present system is over 25 years old and it is difficult to find people still knowledgeable and willing to maintain the system. As such, remaining on the current system is not a viable option.

Five counties are running Orion parallel with old CAMA and seven counties have stopped maintaining old CAMA altogether. These counties operate their appraisal offices solely with the Orion system. An additional 33 counties are currently testing Orion. The answer is, yes, Orion does work. It has been used to produce 2007 and 2008 values for Douglas and Atchison counties.

**7. Modifications to Orion for counties' individual needs.**

The Orion system is very adaptable to a wide variety of site specific modifications. In the interest of a standardized base system statewide, PVD will need to review and approve all county specific modifications to Orion before such modifications are implemented. If such modifications do not impact PVD's ability to collect CAMA data statewide, it is most likely that such changes will be approved and/or made available to all Kansas counties. If such modifications require Orion to be programmatically changed, then an enhancement would be required wherein such costs may be passed on to the county unless such enhancement is deemed beneficial to the base system in general. Upon such determination the State may, if practical, provide the enhancement to the Kansas counties at no charge.

**8. Who is responsible for costs of interface programs for county tax software programs?**

The state has provided a flat file download of all CAMA data from Orion for tax vendors to use in the tax programs. It is the counties' responsibility to work with, and to pay their tax vendors to ensure that the tax interfaces are updated.

**9. Will PVD meet with county commissioners to provide information concerning Orion?**

We have and will continue to be willing to meet with any county officials to discuss Orion. Also, we have worked with the KAC to schedule regional meetings to discuss Orion implementation.



Visit KCAA Online  
[www.accesskansas.org/kcaa](http://www.accesskansas.org/kcaa)

**Preliminary Ratios Arrive**

By Truette McQueen, Ratio Committee Chair

As everyone is aware, the Preliminary Ratio Study results arrived in the counties recently. At the present time there are 29 counties out on one or more of the statistical requirements for commercial, and 10 are out on the residential side. These numbers take into account the confidence intervals.

The 2006 Ratio study showed 25 out on commercial and 10 on residential, and the 2005 Study had 34 out on commercial and 16 on residential. Due to the manpower requirements created by New CAMA, field staff have not been able to research sales as diligently for the validity as in the past. This makes the review and appeal of sales that are invalid even more important than in the past. Written documentation will be accepted by PVD until April 30th. Documentation on trends, either positive or negative, will need to be submitted by April 9th.

Presently, PVD offers a class named Ratio Study Fundamentals. **PVD staff has been able to identify a correlation between counties that have attended this class and the quality and success of their appeals.** The class will be offered twice in 2007, first on July 8–11 and a second time November 4–7. Both classes will be held in Topeka at the Shawnee County Annex. Having attended this class, I would highly recommend it to anyone that works with validating sales.

**Just Another Day**

I couldn't get PVD to give me the code for this building.  
 —Mark Niehaus, Graham County Appraiser



# RMA Review Classes

Name: \_\_\_\_\_ SS#: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

County \_\_\_\_\_  County  State  Private  Contractor  Other

Office Address: \_\_\_\_\_

City-State-Zip: \_\_\_\_\_

Office Phone#: \_\_\_\_\_ Fax: \_\_\_\_\_

**Mark your choice of class/dates:**

- Residential May 14-16, 2008, with Exam on the 20th
- Residential October 8-10, 2008, with Exam on the 14th
  
- Commercial June 18-20, 2008, with Exam on the 24th
- Commercial November 3-5, 2008, with Exam on the 13th

**Location:** Shawnee County Admin. Building  
1515 NW Saline, Topeka, KS

**Instructors:** Rick Stuart, CAE  
or Marion Johnson, CAE

**Time:** 8:30 a.m.-4:00 p.m.

**Price:** \$300

**Mail or Fax to:**  
KCAA  
P.O. Box 988  
Meade, KS  
67864-0988  
(620) 873-7449 Phone  
(620) 873-2237 Fax  
kcaa@sbcglobal.net

**Payment Enclosed:**  Yes  No Amount: \$300 (Payable to KCAA Education Fund)

**To register for classes online:** [www.accesskansas.org/kcaa](http://www.accesskansas.org/kcaa). Select Education, KCAA Classes.

# KCAA Classes

KCAA is pleased to offer the following classes on May 27 and 28. These classes would be beneficial to any county employee—not just appraisers—so pass this on to other county department heads.

**Public Relations, May 27**

The Public Relations class is designed for any person who has contact with the public. This one-day class will cover the following topics: learn about public relations and why it is necessary, understand the customer service and public relations objectives, know how to develop and implement a plan, learn about speaking engagements, press conferences, newspapers and press releases.

**Kansas Basic Assessment & Taxation, May 28**

KS Basic Assessment & Taxation is a one-day class designed for the newer employee or an employee that has generally only limited knowledge of the Appraiser’s Office role and any other county office personnel seeking a better understanding of what really happens in the Appraiser’s Office. There is a limited amount of math, so pencil and calculator are required.

Public Relations: May 27, 2008 or May 29, 2008  
Basic Assessment: May 28, 2008 or May 30, 2008

Class Location: Sumner Co. Law Enforcement Center, 610 E. Hillside, Wellington, KS  
Time: 9 a.m. – 5 p.m. (lunch on your own)  
Price: \$50 per day  
Instructor: Rick Stuart, CAE

**Register online** at [www.accesskansas.org/kcaa](http://www.accesskansas.org/kcaa). Select Education, KCAA Classes.



## Real Estate Notes of Interest

■ Steve Brown, *The Dallas Morning News*, Jan. 8, 2008. WOW! The number of home sales in North Texas plunged by 25% in December as compared to December 2006. Even though the number of sales was drastically lower, the median sale price from a year ago was only down 2%. Average time on the market is now 84 days, up 9%.

■ Noelle Knox, *USA Today*, Jan. 8, 2008. Not all news is as bad as the above article. That is if you are basically a millionaire and paying cash for a home. In Marin County, Calif., it is noted that the number of home sales under \$1 million (starter homes!?) is off by 21% from last year. But all is good. Sales of homes over \$3 million jumped by 32%—and, yes, these are typically cash transactions.

■ Donna Leinwand, *USA Today*, Jan. 14, 2008. The FBI opened 1,210 mortgage fraud cases in fiscal year 2007, nearly triple the number of new cases in 2003. Convictions more than doubled from 123 in the 2006 fiscal year to 260 in 2007.

■ Nick Timiraos, *The Wall Street Journal*, Jan. 15, 2008. Here is a twist in supply and demand that I did not see coming. With the increase in foreclosures and the difficulty of selling homes, more and more people are renting their homes. This has created a large supply of rental properties, and the rents are coming down in areas. The most affordable city to rent was Wichita.

■ Matt Krantz, *USA Today*, Jan. 22, 2008. REITs, or real estate investment trusts, own and invest in commercial property. REITs have consistently out-performed the stock market over the last several years, but that may be coming to an end. **Note:** The chart

Company	Jan. 18, 2008	Off of high	2008 Change
General Growth Prop.	\$32.85	-51.3%	-20.2%
Duke Realty	\$21.34	-55.9%	-18.2%
Macerich	\$58.91	-43.1%	-17.1%
Kimco Realty	\$30.70	-42.7%	-15.7%
Mack-Cali Realty	\$29.30	-48.2%	-13.8%
iShares Cohen & Steers Realty Majors Index	\$70.53	-39.1%	-10.9%
S&P 500 index	1325.19	-15.3%	-9.8%

above uses members of the Cohen & Steers Realty Majors index. Sources: Standard & Poor's Capital IQ.

■ David Streitfeld, Jan. 22, 2008. Submitted by Sheryl Sammons, RMA and Rod Broberg, RMA. Probably a sign of things to come: A homeowner in California is suing her real estate agent that represented her, claiming he hid information condos were selling for less than what she paid because he could lose his \$30,000 commission. The National Association of Realtors estimates that buyer agents are now involved in two-thirds of all residential purchases. The buyer agent hired an appraisal done but would not disclose it to the buyers. The buyers did not rush into the deal as they had already dismissed one buyer agent and cancelled deals on two other houses before hiring the second agent. **Editor's Note:** Here is the quote that I liked. The agent's lawyer said, "Valuation is a tricky area for brokers."

■ Commercial Real Estate Direct, Jan. 17, 2008. Commercial property prices declined in October and November, according to a pair of national property indices. Prices gauged by the Moody's/Real Commercial Property Price Indices and S&P/GRA Commercial Real Estate Indices reported that prices have dropped 20 basis points.

The price fluctuations have been a byproduct of the credit crunch, which has reduced the availability of debt financing and created uncertainty about how to price properties. The Moody's/Real index recorded about 250 closed transactions during November, the lowest monthly volume since turmoil in the credit market began impacting the commercial property sector last summer.

■ Noelle Knox, *USA Today*, Jan. 25, 2008. The number of home sales plunged in 2007 by 13%, which is the largest single year decline in 25 years. The Mortgage Bankers Association is projecting a similar decline for 2008. Overall for the year the median sale price only declined by 1.4% but was down 6% in December. It is hoped the federal government's stimulus package will help the housing market.

■ Associated Press, Jan. 25, 2008. The proposed government stimulus package may also be beneficial to higher priced homes. The package agreed upon by Democratic and Republican members of the House would allow government-sponsored Fannie Mae and Freddie Mac to buy mortgages at least 50 percent more expensive than the current \$417,000 limit. The Senate and White House still must sign off on the proposed stimulus plan, which also includes tax rebates for Americans.



■ Associated Press, Jan. 24, 2008. Mortgage rates for 30-year loans have dropped for the fourth straight week and are at the lowest in four years. Freddie Mac's rate is at 5.48. This and the rate cuts by the Federal Reserve have created a rush by homeowners to refinance.

■ *USA Today*, Jan. 28, 2008. Maybe some CEO's will do the right thing, even if they do so under pressure. Retiring Countrywide Financial CEO Angelo Mozilo has agreed to forfeit some \$37.5 million in severance pay, fees and perks. He additionally agreed to not accept \$400,000 per year he was scheduled to receive annually as a consultant.

A study circulated within the American Securitization Forum says more than 600,000 troubled homeowners could win new mortgage terms if the Federal Housing Administration (FHA) eased their lending rates. FHA was created during the Great Depression to help high-risk and low-income borrowers obtain better loan terms.

■ Noelle Knox, *USA Today*, Jan. 29, 2008. New home construction fell last year at the steepest rate since 1963, when records started being kept. Home builders expect this decline to continue until at least the middle of this year. According to the Commerce Department, sales of new homes were down in volume and price.

Year	# Sales	Median Sale Price
2006	1,019,000	\$244,700
2007	604,000	\$219,200

■ Noelle Knox, *USA Today*, Jan. 30, 2008. Really bad news on this day of housing reports: Foreclosure rates are up, prices are falling, and the number of vacant homes is up.

■ Vikas Bajaj, *New York Times*, Jan. 30, 2008. The New York attorney general has started investigations into some lending institutions about the sub-prime problems. Now the FBI has announced they are investigating 14 mortgage-related companies, looking for accounting fraud, insider trading,

and other violations in connection with loans made to borrowers with weak or subprime credit. Additionally, they are participating with the Security Exchange Commission on three dozen civil cases.

■ Chris Kissell, Bankrate.com, Jan. 30, 2008. The chief economist for Quicken Loans, Bob Walters, states the public does not understand the relationship between the fed rate cuts and the effect on home loan rates. "People need to understand that the Federal Reserve does not determine mortgage rates. The bond market does. The bond market is concerned about a lot of things, including inflation. The bond market has already factored in that the Federal Reserve is going to continue cutting interest rates. That's fully priced in. For this reason, Walters urges people to lock in their mortgage rates sooner rather than later.

"I think people would be naive and miss the boat if they wait around and think they are going to go down in the future," he says. "That may happen, but it's also entirely possible that interest rates could rise from here."

■ Reuters, Jan. 30, 2008. The Mortgage Bankers Association said its seasonally adjusted index of mortgage application activity rose 7.5 percent to 1,054.9 in the week ended Jan. 25. It was last higher in late March 2004.

■ Lynn Hicks and Jerry Perkins, *USA Today*, Feb. 5, 2008. Agricultural land prices continue to escalate. In Iowa, Nebraska, South Dakota and Wyoming prices rose 20% – 23% in 2007 on top of a 14% nation-wide increase in 2006. Higher prices continue to be attributed to demand for feed grain, fuel, low interest rates and the weak dollar.

**Editor's Note:** Feb. 5, 2008. Interest rates are very low and the amount of refinancing is greatly picking up. I would envision some of you will experience extra appeals this year with residential property owners stating prices are going down. Don't forget to ask or check if they have refinanced—just in case they forget to bring that appraisal with them.

■ Diana Olick, CNBC.com, Feb. 5, 2008. It is probably time to check the performance of your pension funds. Commercial property values are decreasing in some areas, and pension funds generally hold a large number of properties in their investment portfolios. The value of U.S. commercial real estate owned by big pension funds fell 5 percent in the fourth quarter of 2007, twice the drop of the third quarter, according to an index from the MIT Center for Real Estate. Experts blame the credit crunch, which has now bled over from the residential real estate market to the commercial market. There is simply less money available because the commercial mortgage-backed securities market has slowed down so significantly over the last couple of months.

#### ■ WAY TO GO ELLIS COUNTY!

*The Progressive Farmer*, Feb. 4, 2008. *The Progressive Farmer* magazine has released its annual rankings of best places to live in rural counties. The selection is based on school quality, access to health care, low crime, and affordable farmland.

1. Kent County, Md. Sales of development rights keep sprawl at bay.

2. Ellis County, Kan. A coalition has revitalized economic vitality. Ranked second overall but #1 in the Midwest.

■ Chris Arnold, National Public Radio, Feb. 11, 2008. Prosecutors in Ohio say one home renovator is responsible for more than \$18 million in mortgage fraud. "He allegedly did that by flipping hundreds of homes—that is, buying run-down homes on the cheap and then quickly selling them for far more than they were actually worth. Prosecutors say appraisers, a mortgage broker and a title company were also in on the scheme."

The renovator was smart in using some of the money to establish a separate business when things would go bad in real estate. What business would that be, you may ask? Why a strip club, of course. He put that business in a friend's and former girlfriend's name. They eventually had to change the

**REAL ESTATE NOTES, continued**

locks as he was stealing from the cash register. **Editor's Note:** I do not envision this guy making *TIME Magazine's* "Man of the Year."

■ Alan Zibel, *The Associated Press*, Feb. 13, 2008. The number of home foreclosures is a cascading problem. As more homes are foreclosed on, banks are reducing the asking prices to get them out of inventory, which creates competition and drives down other homes for sale. A comparison of foreclosures for 2006 versus the third quarter of 2007 was determined from information provided by the National Association of Realtors and RealtyTrac.

	2006	3rd Qtr. 2007
Nationwide	3.3%	4.7%
Colorado	10.0%	15.6%
California	3.7%	11.3%
Tennessee	5.2%	10.6%
Michigan	4.9%	9.3%

■ Noelle Knox, *USA Today*, Feb. 13, 2008. A program called Project Lifeline has been implemented by six of the nation's largest mortgage lenders to help avoid foreclosure on some of the 575,000 mortgages that are at least six months behind on payments. It is not known how many will be helped, but the homeowner will have 10 days to contact their lender after they are notified by mail of the program.

■ Noelle Knox, *USA Today*, Feb. 14, 2008. With the signature of President Bush to the Economic Stimulus Package, the limit for loans guaranteed by Freddie Mac and Fannie Mae has increased from \$417,000 to \$729,500. This could result in as much as a one percentage point reduction in home loan rates for homes affected by the change.

■ Noelle Knox, *USA Today*, Feb. 15, 2008. The number of home sales fell in 45 states and the District of Columbia in the last quarter of 2007. **Editor's Note:** It is no surprise the largest drops were in Nevada, but the surprising second

place was in Wyoming. As I was recently in Wyoming, the market is strong with a high demand. The article also stated that in Las Vegas the median single-family home dropped about 13% in price in the fourth quarter.

■ Diana Olick, *cnbc.com*, Feb. 21, 2008. Housing starts for January 2008 are down 28% from one year ago and down 50% from January 2006. Real estate experts state this is great since some of the excess inventory can be sold.

**Editor's Note:** It would be great if the mortgage rates would remain low but have continued to go up with mortgage applications dropping.

■ Jane Hodges, *MSNBC Contributor*, Feb. 20, 2008. A large number of people are considering refinancing their existing home loans. What should seem like an easy process is not necessarily so. Some things to consider before discussing refinancing are shown below.

1. Normally you should save 0.50 points on your interest rate before it makes economic sense to refinance.

2. In the current lending atmosphere, you must have a credit score of at least 650 for a government-secured loan. Some lenders are requiring scores of 680 or 700.

■ Reuters, Feb. 25, 2008. According to the National Association of Realtors, both the number of home sales and the median sale price fell in January. The number of home sales dropped to the lowest level in nearly a decade, and the median sale price fell from \$200,000 to \$198,700, or a 5.1% decline.

■ Les Christie, *CNNMoney.com*, Feb. 26, 2008. According to RealtyTrac, an online marketer of foreclosure properties, home foreclosures in January were 57% higher than the previous year. Nevada, California and Florida still lead in the number of foreclosures. One in every 277 homes in California and one in every 273 homes in Florida are in foreclosure. One bright spot is that 18 states had a reduction in that same time period.

■ Sue Kirchhoff, *USA Today*, March 5, 2008. Speaking to a banking group in Florida, Federal Reserve Chairman Ben Bernanke suggested that banks voluntarily lower home loan balances to help avoid additional foreclosures. His comments, also supported by comments from Treasury Secretary Henry Paulson, point to the cost of foreclosure for lenders and that lower the loan balance for troubled loans could be cheaper for the lending institutions.

■ Les Christie, *CNNMoney.com*, March 4, 2008. The Cleveland-based bank National City Corp. (NCC, Fortune 500), together with financial analysis firm Global Insight, revealed Tuesday that more than 88% of the 330 housing markets surveyed showed price declines and improved affordability during the last three months of 2007.

The report compares actual median home prices with what the authors determine are proper home values based on population density, relative income levels and interest rates, as well as historically observed market premiums or discounts, to determine whether markets are over or under valued. Some are indicating this is the best time in four years to purchase a home.

■ *CNNMoney.com*, March 3, 2008. New York Attorney General Andrew Cuomo said Monday that prospective home buyers will be protected from fraudulently inflated home prices under a new agreement with government-sponsored lenders Fannie Mae and Freddie Mac. Under the agreement, which ends Cuomo's investigation into the two companies, lenders won't be allowed to use in-house staff for initial appraisals and will be prohibited from using appraisal management companies that they own or control.

■ Les Christie, *cnnmoney.com*, March 1, 2008. Say it isn't so! For all of you who just spent a very large amount of money remodeling your kitchen, including granite countertops, you might want to skip this article. Upscale renovations are not returning as high of percentage of investment in the market as

they previously were, according to the National Association of Realtors (NAR) and *Remodeling* magazine. **Editor's Note:** This would be the second year in a row that the return has gone down, if my memory is correct).

See all the latest numbers at: <http://costvalue.remodelingmagazine.com/westnorthcentral.html>

Remodeling Item	% Return 2007	% Return 2006
Highest end kitchen	70.0	80.0
High end kitchen	74.1	75.9
Upscale bathroom	68.4	77.4
New bathroom	69.0	72.8

■ Robert Schmidt & David Mildenberg, *Bloomberg News*, March 10, 2008. The FBI is checking into 14 companies for possible accounting violations related to the subprime lending crisis, including mortgage lenders, housing developers and Wall Street firms. The biggest target is Countrywide Financial Corp, the largest U.S. mortgage lender for possible securities fraud.

■ Haya El Nasser, *USA Today*, March 11, 2008. It will not surprise most of you that the large number of home foreclosures is causing problems within communities and the economy. The mortgage foreclosure crisis has caused a drop in cities' revenues, a spike in crime, more homelessness and an increase in vacant properties, a survey of elected local officials out today shows. Foreclosed homes are a target of vandalism. To show how bad it is in some areas, one subdivision in Charlotte, NC, has 123 homes and 115 are in foreclosure.

■ Shelly Banjo, *The Wall Street Journal*, March 11, 2008. Maybe now is the time to buy that house. Some important items to consider in making that purchase: (1) Have enough money in the bank to pay closing costs that are typically an additional 2% to 3% of the price of the home; (2) Make sure it is in a good location so the value will hold or increase; (3) Besides just looking at the

comps, buyers should examine what it would cost to rent a similar house in the same area, and they might consider what it would cost to buy land and build a comparable home; (4) Realize it will probably take at least six or seven years of living in the house to be able to sell and come out ahead.

**Editor's Note:** Considering the low interest rates for any alternative investments such as Treasury bills or certificates of deposit and that real estate historically increases steadily over time, now may be a good time to invest in real estate.

■ Jay McDonald, Bankrate.com, March 12, 2008. Submitted by Rod Broberg, RMA. You can see the entire article of "Should home sale prices be secret?" at: [http://realestate.msn.com/Buying/Article\\_bankrate.aspx?cp-documentid=4976420&GT1=35000](http://realestate.msn.com/Buying/Article_bankrate.aspx?cp-documentid=4976420&GT1=35000).

"Realtors are trying to protect the value of their work product. It's not that they're restricting information; they're just restricting who has it. It's not that the real-estate agent is simply trying to protect their interests—clearly they are—but they're trying to not give away that which they worked to earn, and they don't want the public being misled," says Jenks.

**Editor's Note:** Not sure I understand how you can restrict something but not be restrictive at the same time.

■ Scott Burns, scottburns.com, March 5, 2008. Submitted by Lisa Ree, RMA. By analyzing data on foreclosures from Realtytrac.com, the foreclosure rate appears to be a regional problem and not a nationwide problem. Even though the foreclosure rates have sky-rocketed, the national average is only 1.033% with the top 100 housing markets at an average of 1.38%, with Kansas ranking 42nd in the number of foreclosure filings.

■ Tara Perkins & Lori McLeod, *The Globe and Mail*, Canada's national newspaper, March 13, 2008. It has been talked about before that the subprime mess in the U.S. had spread to Europe; now it is having an effect in

Canada. Those lenders that catered to riskier borrowers and used so-called alternative loan products are struggling to fund their operations. Some companies have suspended their uninsured products, some companies have closed and others have laid off workers.

**Editor's Note:** I recently heard an ad by a home-builder promoting "Contingency Elimination." If you cannot get your home sold and want to buy a new one from the builder, here is the deal:

1. A 31-year mortgage with the first year payments being interest only.
2. Only one closing cost for selling of your current home and purchasing a new home from the builder.
3. If your old home does not sell in one-year, the builder will buy it from you.

I did not hear all the details, but several things crossed my mind:

- (1) Sounds a lot like some of the interest-only and creative financing that has caused all the problems;
- (2) The homeowner still will need sufficient funds to continue to pay the mortgage, insurance and taxes on the old home plus the interest on the new home;
- (3) How is the value determined at the end of one year if the home has to be purchased?

At a quick glance, it appears to have the potential to create more loan problems.

■ *USA Today*, March 19, 2008. A Harris Interactive survey asked 2,082 adults the question, "Who is primarily responsible for the trouble in the housing market and mortgage business?"

- Mortgage lenders & brokers (52%)
- Government regulators (21%)
- Home buyers (16%)
- Someone else (11%)

■ *USA Today*, March 20, 2008. The value of Iowa farmland jumped about 18% in the past year, according to a survey by the Realtors Land Institute. Average price per acre for high-quality crop land increased to \$5,223 and is being driven by increased demand for ethanol, limited land for sale and high yields and commodity prices.

**REAL ESTATE NOTES, continued**

■ *USA Today*, March 20, 2008. A survey by Harris Interactive asked 2,082 adults, "Should the government provide financial help to borrowers who can no longer afford to pay their mortgages to keep them out of foreclosure?"

25% Yes  
42% No  
33% Not sure

■ Stephanie Armour, *USA Today*, March 20, 2008. There could be some possible help for some homeowners. The federal government has reduced the amount that Fannie Mae and Freddie Mac must hold and thus freeing up about \$200 billion in additional financing. Some buyers who may not have been considered for a loan may now be able to get a mortgage.

■ Commercial Real Estate Direct, March 13, 2008. The seniors housing industry's leading trade group is warning of a potential shortfall of long-term care properties. The NIC for Seniors Housing & Care said investors are underestimating the amount of long-term care that will be required by the baby boomer generation in the years to come. For property investors, this translates into increased demand for assisted-living and skilled-nursing facilities.

Institutional investors sense that capitalization rates have hit bottom for office and industrial property, according to the PWC Korpacz Real Estate Investor Survey. The investors surveyed fear that rising unemployment is forcing office landlords to shift rental terms in favor of tenants to maintain occupancy.

■ *USA Today*, March 21, 2008. Nebraska farmland prices soared 23% from last year which is 88% higher than in 2003. **Editor's Note:** Nebraska assesses farmland at 75% of market value.

## Indiana Passes Sweeping Property Tax Reform

Information from the *Indianapolis Star* online, Indystar.com.

There has been a revolt in Indiana over the extremely large increases in residential tax bills. That may change with the Governor's signature of Enrolled Act 1001. This is briefly what this new legislation will do:

1. Projected to reduce typical residential taxes by 30%.
2. Caps tax bills for residential at 1%, rentals and farms at 2% and businesses at 3%.
3. Senior citizens whose homes are valued at \$60,000 or less and whose incomes do not exceed \$30,000 a year for a single person or \$40,000 for a couple will have their bills limited to a 2 percent increase from year to year in addition to the 1 percent cap on assessed value.
4. Renters would have their income tax deduction increased to \$3,000 from the current \$2,500.
5. The earned income tax credit for the working poor increases from 6 to 9 percent.

6. Referendums would be required on high school building projects that cost more than \$20 million and on elementary and middle-school projects that cost more than \$10 million. All other publicly financed projects that cost at least \$12 million or equal 1 percent of a taxing district's assessed value also would have to be approved by a referendum.

7. Township assessors are eliminated except in townships with more than 15,000 parcels. Voters in those areas will have to choose in a referendum this year whether to keep their township assessor or shift the responsibility to the county assessor. This would eliminate almost 1,100 township assessor positions.

8. The property tax relief under the law is funded in part by an increase in the state sales tax from 6 percent to 7 percent. That tax increase goes into effect April 1.

**Editor's Note:** This bill is over 600 pages. Any bets that they have everything covered?

## Florida Passes Amendment 1

By Rick Stuart, CAE

In the last issue of *Appraising the Plains*, there was an excellent article by Jim Todora, MAI, CAE, about the proposed Florida Amendment 1 dealing with substantial changes in property assessment and taxation. The amendment was approved by the voters by over 60%.

But this is not over yet. A lawsuit has been filed that states the portability issue discriminates against newer homeowners. The amended lawsuit alleges Amendment 1, which voters adopted January 29, increases the disparity through a "portability" provision that lets homesteaders take their

A lawsuit has been filed that states the portability issue discriminates against newer homeowners.

Save Our Homes benefits with them when they move.

A state judge in Tallahassee last year dismissed a similar lawsuit by out-of-state owners of second homes in Florida that challenged Save Our Homes on grounds that it violates anti-discrimination provisions of the U.S. Constitution. An appeal is pending.

# Taxes – Wyoming Style

By Rick Stuart, CAE

Recently, I was teaching IAAO 402– Tax Policy in Casper, WY. I arrived on Sunday, and on the front page of the Casper newspaper is the first in a three-article series on property tax. How much better could the timing be? There were some interesting comments and poll results I felt you would enjoy. Permission to use information from the article was granted by the writers, Joan Barron and Jared Miller, plus from the *Casper Star-Tribune*.

Property taxes have been rising, but “a 2006 study by the Minnesota Taxpayers Association ranked Wyoming near dead last in property taxes compared to other states. The chief reason for the low taxes, of course, is the price paid by mineral companies to extract the state’s bountiful mineral resources. But there are other factors.”

“One sign that taxes are bearable for most Wyoming property owners is the small number of appeals filed each year with the county and state. Troy Clements, the assessor in Campbell County, where property values have increased 10 to 12 percent a year in recent years, said appeals are rare. ‘I can honestly say that in the 20 years I’ve been in this office, I haven’t seen a larger outcry for property tax relief than I did 20 years ago,’ added Laramie County Assessor Brenda Arnold. Property tax appeals are also rare at the state level, said Al Minier, chairman of the state Board of Equalization. Fewer than two dozen people have filed appeals in each of the last five years. Only nine appeals were filed in 2007.

“There are a number of reasons, officials said, that property owners don’t take advantage of the programs, including a clunky application process and reluctance to disclose income levels. Still, most of the programs are grossly underutilized, said Erin Taylor, executive director of the Wyoming Taxpayers Association.

“One more sign of the low tax burden is the willingness of Wyoming voters to heap additional taxes on themselves for special projects. In 2006, for example, voters in Uinta and Fremont counties agreed to pay more in local property taxes to build a middle school in Lyman and a new elementary and preschool in Pavillion.”

“They may not realize that while the owner of a \$150,000 home living in Cheyenne paid about \$970 in property taxes last year, the average homeowner in the United States paid more than \$1,950 in taxes for a home of the same value.”

“Wyoming voters favor broad-based property tax relief for all homeowners, according to a *Casper Star-Tribune* poll. The results of the poll of 625 registered voters show that 42 percent favor property tax relief for all homeowners, while 27 percent prefer tax relief for only senior citizens. Fifteen percent of voters believe no action is necessary, and 10 percent want relief only for homeowners in rapidly growing counties.

“According to the state’s economic analysis division, a four-person family in Wyoming with an income of \$50,000 and a house valued at \$150,000 pays \$3,330 per year in

One sign that taxes are bearable for most Wyoming property owners is the small number of appeals filed each year with the county and state.

various taxes, including property taxes and \$1,400 in retail sales tax. In exchange, that four-person family receives \$32,960 in state, county and city services, including \$5,890 in K-12 schools.”

*Editor’s Note: Not sure I have ever seen information like this. It should also be noted that Wyoming does not have state or local income tax.*

Tax comparisons for real property conducted by the newspaper showed the following, based upon 2006 state and property taxes paid on a home valued at \$150,000 showed the following:

Cheyenne, WY \$971	Salt Lake City, UT \$1,117
Billings, MT \$1,575	Sioux Falls, SD \$1,833
Boise, ID \$1,052	Boise, ID \$1,052
Denver, CO \$795	

Looking at all the information, it appears life is good in Wyoming!



## Gobble, Gobble!

**Attack guard turkey on a farm east of McPherson**

## Smallest House for Sale

**Editor's Note:** Lisa Ree, RMA, Ellis County, sent me two websites and some notes about this story, and my next email was from a friend in Idaho about the *same* house with great photos and additional information. Several others of you sent it at later dates. Thanks, and please keep the cards, letters and generally wacky stuff coming!

This house, located near the intersection of Dufferin Street and Rogers Road, is believed to be Toronto's smallest house. Occupying what used to be a driveway, it's a one bedroom, one bathroom home that sits on a parcel of land 7.25 feet (2.2 metres) wide and 113.67 feet (34.6 metres) long and has an interior area of just under 300 square feet (under 28 square metres).

Here are the home's "Listed Features":

- \* Completely re-done top-to-bottom, front-to-back!
- \* Tumbled stone entrance walk
- \* Renovated Bath
- \* Renovated Kitchen with newer stove, new cabinets and new stacked washer/dryer
- \* Bedroom with Murphy Bed + "Built-Ins" ... (doubles as a den)!
- \* Walk-out to fenced patio
- \* 100 Amp service
- \* 2 Satellite Dishes and Receiver
- \* Window Air Conditioner Available

THE PRICE? You get all this for \$179,900.



This tiny house in Toronto, Canada's largest city, sits on a parcel of land that is only 7.25 feet wide and just under 114 feet long.



Kitchen/laundry

Living Room



Patio

## 8 Wonders of Kansas Revealed

The votes are in. More than 24,000 people from all 50 states cast votes to determine Kansas' most important natural or manmade wonders.

The winners were announced by Kansas Gov. Kathleen Sebelius in a ceremony at the capitol on Kansas Day, Jan. 29. The winners were selected from 24 finalists; eight attractions were chosen because the Kansas Sampler Foundation, organizer of the project, bases its criteria on eight rural culture elements.

The winners are (in alphabetical order): the Big Well, Greensburg; Cheyenne Bottoms and Quivira National Wildlife Refuge, Barton and Stafford counties; Eisenhower Presidential Library & Museum, Abilene; Kansas Cosmo-sphere & Space Center, Hutchinson; Kansas Underground Salt Museum, Hutchinson; Monument Rocks & Castle Rock, Gove County; St. Fidelis Church (Cathedral of the Plains), Victoria; and the Tallgrass Prairie National Preserve, Chase County.

Representatives from all 24 finalists as well as over 1,000 fourth- and fifth-graders and other fans of Kansas were on hand to hear the announcement.

"It's very exciting to announce what the public chose as our very best in terms of places totally unique to Kansas or sites that are iconic," said Marci Penner, director of the Kansas Sampler Foundation. "We'd love it if the fun of the contest would launch a wave of exploring Kansas!"

The 8 Wonders of Kansas is a project of the Kansas Sampler Foundation, a non-profit whose mission is to preserve and sustain rural culture and believes that educating the public about what there is to see and do in the state helps make a difference for all Kansas communities, regardless of size.

Following is just a bit about what makes each Wonder unique. More information and photos can be found at [8wonders.org](http://8wonders.org).

**Big Well:** The construction of the 1887 well was an engineering marvel in its day and it is the world's largest hand-dug well.

**Cheyenne Bottoms and Quivira National Wildlife Refuge:** These two entities make up the Kansas Wetlands Complex. They share a vital and international importance as a migratory stop for North American shorebirds.

**Eisenhower Presidential Library & Museum:** Dwight D. Eisenhower was the only president who also had been a five-star general thus making this display of his remarkable lifetime achievements significant.

**Kansas Cosmo-sphere & Space Center:** The Cosmo-sphere has one of the most significant collections of U.S. and Russian space artifacts in the world.

The 8 Wonders of Kansas is a project of the Kansas Sampler Foundation, a non-profit whose mission is to preserve and sustain rural culture

**Kansas Underground Salt Museum:** The only underground salt museum in a working mine in the western hemisphere showcases our natural treasure, salt, 650 feet below the earth's surface.,

**Monument Rocks and Castle Rock:** These ancient chalk beds have produced scientifically significant fossils and have been highly eroded into unusual spires and shapes, making them spectacular landmarks on the plains of western Kansas.

**St. Fidelis Church:** The architectural grandeur and impressive craftsmanship make this church built by the Volga German pioneers in 1911, a masterpiece.

**Tallgrass Prairie National Preserve:** The preserve represents the last significant example of the tallgrass prairie in North America.

### Other finalists:

Arikaree Breaks, Cheyenne County  
Ball of Twine, Cawker City  
Big Brutus, West Mineral  
Brookville Hotel, Abilene  
Chase County Courthouse, Cottonwood Falls  
Cimarron National Grassland, Morton County  
Constitution Hall State Historic Site, Lecompton  
John Steuart Curry Murals, State Capitol, Topeka  
Davis Memorial, Hiawatha  
Fort Larned National Historic Site, Pawnee County  
Garden of Eden, Lucas  
Gypsum Hills Scenic Drive, Barber County  
Keeper of the Plains, Wichita  
Lake Scott State Park, Scott County  
Pawnee Indian Museum State Historic Site, Republic County  
St. Mary's Catholic Church, St. Benedict

To view pictures of all 8 Wonders, go to <http://www.travelks.com/s/index.cfm?SSID=34>.

## Great Entertainment at This Year's Conference...



### Musical Monday Night

Relax and enjoy the sounds of Pastense on Monday evening. The five-member band plays a variety of contemporary and traditional bluegrass music, including lots of vocals with strong harmonies and great instrumental tunes as well. Their shows also include lots of humor and audience participation. The award-winning group has played at many fairs, festivals and corporate events; The American Royal; Silver Dollar City; Trail Rides; and Oprys—just about anywhere else you might be able to think of! You can check out their website at [www.pastense.org](http://www.pastense.org).

### Matrot Castle Tour & Wine Tasting

On Monday, step back in time and place with a tour of Topeka's Matrot Castle, a French-inspired, chateau-style castle featuring twin turrets on either side. The castle was the dream home of a refugee Frenchman, Seraphin P. Matrot, who built it in 1883 and lived there until he died in 1898.



Called a small fortress, the castle walls are a foot thick, and there are a few other "safety features." The current owner, Jerry Witmer, tells the story of the man behind the castle during

ing tours. "He built a replica of the castle he had in France. It's an exact replica, except it's half of the castle," Jerry said. "He had intended to build the other half, but he died in 1989."

Matrot was quite paranoid, and the castle reflects this paranoia. "In the attic, the windows were big enough and they faced all four directions where he could actually fire a gun in case they caught up with him," Jerry said. "In the wine cellar in the basement he had a tunnel (you'll see the original bricks of this tunnel) that went underground clear to the creek so that he could escape."

Matrot, who had been in the wine business in France, started a vineyard near the castle, and one of his original grapevines still grows, although it no longer produces.

### Tuesday Night Laughs

Join us on Tuesday night for the hilarious M&M Sisters and find out just why laughter is the best medicine!

Real-life sisters and best friends, Merry (Kingsbury) VanderGiesen and Manda (Kingsbury) Wanner have been performing together for many years. Just like everyone's favorite candy, this outrageously funny pair is entertainingly colorful. They bring to life two quirky Southern characters, better known as Mini Pearl and her backwards, always-bubbly cousin, Urlean, from Backwoods, Arkansas.

The M&M Sisters have delighted audiences across the state of Kansas, performing for numerous local and area wide events, benefits and social gatherings. The KCAA is excited to have the M&M Sisters perform at this year's Business Conference. Come laugh with us on Tuesday night!



### KCAA Golf Tourney

The golf tournament tees off at 8 a.m. Monday at beautiful Lake Shawnee Golf Course. The 18-hole course in Topeka features 6,283 yards of golf from the longest tees for a par of 68. The course rating is 70, and it has a slope rating of 118 on Zoysia grass. Lake Shawnee was voted the #1 Public Golf Course in Northeast Kansas by *The Topeka Capital-Journal*.



ing of 118 on Zoysia grass. Lake Shawnee was voted the #1 Public Golf Course in Northeast Kansas by *The Topeka Capital-Journal*.

### Bowling Tournament

Join us on at Gage Bowl on Sunday night, June 8, for KCAA's bowling tournament. The tourney is co-ed and open to all levels of bowlers. Always lots of fun, it's a great way to kick off the conference.

### Sporting Clays Tourney Shot Down

An email was sent out to see if there was any interest in a sporting clays tournament to be held in conjunction with the KCAA Annual Business Conference. Here is one response:

It has been brought to my attention that some clarification may be needed on the sporting clays tournament.

1) The proposed event date being considered is on the Monday Morning of June 9th and is not being held in conjunction with any Commissioner Meeting.

2) At this time PVD, Orion Software Vendors, SBTA or any other entity of this type has not been asked to attend or participate in the launching of the clays.

3) If someone does "bag" something other than a clay pigeon, it will be their sole responsibility to clean, dress or dispose of it, and the Association takes no responsibility for your actions.

If sufficient interest is conveyed and the event is indeed held, the Executive Board will no doubt want to expand this list for obvious reasons.

Richard E. Batchellor, RMA, CKA  
Kingman County Appraiser (For now)



# KANSAS COUNTY APPRAISERS ASSOCIATION

## Annual Business Conference ❖ June 8 – 11, 2008 ❖ Ramada Inn ❖ Topeka

**Golf Tournament at Lake Shawnee Golf Course**  
 8 a.m. Monday, June 9. Tournament is a scramble. **No walk-ons or payments will be allowed at the tournament site.** Breakfast is included in the price, and lunch is provided by R&S Digital. Pairings arranged by Mark Low, tournament co-ordinator, or if you have a team, please list names below:

\_\_\_\_\_

\_\_\_\_\_

**Bowling Tournament** on Sunday, June 8 at Gage Bowl, 4200 SW Huntoon, with registration at 6 p.m. and bowling at 6:30 p.m. Tourney is co-ed and for all levels of bowlers. Join us for the KCAA adaptation of Razzle Dazzle! Elysa Lovelady is tournament coordinator.

**Matrot Castle Tour & Wine Tasting** will leave the hotel at 9:15 a.m. Monday, June 9. Tour is approx. 1 hour, but you can stay longer. Minimum of 25 people. See www.mmgks.com or page 24 of this newsletter for more info.

### REGISTRATION & FEES

REGISTRATION FEES	BY MAY 17	AFTER MAY 17
<input type="checkbox"/> Full Registration	_____ \$245	_____ \$255
<input type="checkbox"/> Education Only	_____ \$145	_____ \$155
<input type="checkbox"/> Golf Tournament	_____ \$ 65	<b>No registrations after May 23</b>
<input type="checkbox"/> Bowling Tournament	_____ \$ 17 (Includes 3 games, shoes, prizes)	<b>No registrations after May 23</b>
<input type="checkbox"/> Matrot Castle Tour	_____ \$ 10	<b>No registrations after May 23</b>
 <b>Total Enclosed</b>	 \$ _____	 \$ _____

Name \_\_\_\_\_ County/Company \_\_\_\_\_

Address \_\_\_\_\_ City/State/ZIP \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

### SPOUSE/GUEST REGISTRATION

REGISTRATION FEES	BY MAY 17	AFTER MAY 17
<input type="checkbox"/> Golf Tournament	_____ \$65	<b>No registrations after May 23</b>
<input type="checkbox"/> Bowling Tournament	_____ \$17 (Includes 3 games, shoes, prizes)	<b>No registrations after May 23</b>
<input type="checkbox"/> Matrot Castle Tour	_____ \$10	<b>No registrations after May 23</b>
<input type="checkbox"/> Monday Night Dinner/Entertainment	_____ \$30	_____ \$33
<input type="checkbox"/> Tuesday Night Dinner/Entertainment	_____ \$30	_____ \$33
<input type="checkbox"/> Tuesday Awards Luncheon	_____ \$20	_____ \$23
 <b>Total Enclosed</b>	 \$ _____	 \$ _____

**Send Forms to:**  
 KCAA  
 P.O. Box 988  
 Meade, KS 67864  
 620-873-2237 (fax)  
[kcaa@sbcglobal.net](mailto:kcaa@sbcglobal.net)

Spouse/Guest Name \_\_\_\_\_

**HOTEL INFORMATION:** Topeka Ramada Inn, 420 E. 6th Street, Topeka, KS 66607  
 Ph. 785-234-5400. [www.topekaramada.com](http://www.topekaramada.com). Room Rate: \$73 + tax (\$80 double occupancy).  
 Rate includes full hot breakfast.

One (1) KCAA logo shirt, sweatshirt or wind jacket will be given to each full-fee conference registrant. Please indicate your shirt size and choice below.

**Twill Button-up Long-sleeve Shirt.** Choose **one** color:  Stone (light tan)  Coffee Bean (dark brown)  
 Men's (button-down collar)  Small  Medium  Large  Extra-Large  2XL  3XL  
 Women's (no button on collar)  Small  Medium  Large  Extra-Large  2XL

**Dark Gray Sweatshirt:** Men's  Small  Medium  Large  Extra-Large  2XL  3XL  
**Navy Blue Wind Jacket:** Men's  Small  Medium  Large  Extra-Large  2XL  3XL

**(See next page to order additional logo garments. Deadline to order is May 15th.)**

# Order Form: 2008 Logo Items

The deadline for ordering shirts/jacket to be picked up at Conference is May 15.



Name \_\_\_\_\_ County \_\_\_\_\_

Phone \_\_\_\_\_ E-mail \_\_\_\_\_

**Twill Button-up Long-sleeve Shirt. Stone (light tan)**

- |                            |                                |                                 |                                |                                      |                              |                              |
|----------------------------|--------------------------------|---------------------------------|--------------------------------|--------------------------------------|------------------------------|------------------------------|
| Men's (button-down collar) | <input type="checkbox"/> Small | <input type="checkbox"/> Medium | <input type="checkbox"/> Large | <input type="checkbox"/> Extra-Large | <input type="checkbox"/> 2XL | <input type="checkbox"/> 3XL |
| Women's (open collar)      | <input type="checkbox"/> Small | <input type="checkbox"/> Medium | <input type="checkbox"/> Large | <input type="checkbox"/> Extra-Large | <input type="checkbox"/> 2XL |                              |

**Twill Button-up Long-sleeve Shirt. Coffee Bean (dark brown)**

- |                            |                                |                                 |                                |                                      |                              |                              |
|----------------------------|--------------------------------|---------------------------------|--------------------------------|--------------------------------------|------------------------------|------------------------------|
| Men's (button-down collar) | <input type="checkbox"/> Small | <input type="checkbox"/> Medium | <input type="checkbox"/> Large | <input type="checkbox"/> Extra-Large | <input type="checkbox"/> 2XL | <input type="checkbox"/> 3XL |
| Women's (open collar)      | <input type="checkbox"/> Small | <input type="checkbox"/> Medium | <input type="checkbox"/> Large | <input type="checkbox"/> Extra-Large | <input type="checkbox"/> 2XL |                              |

**Total Number of Shirts** \_\_\_\_\_ x \$23.50 + \$ \_\_\_\_\_

**Dark Gray Sweatshirt**

- |       |                                |                                 |                                |                                      |                              |                              |
|-------|--------------------------------|---------------------------------|--------------------------------|--------------------------------------|------------------------------|------------------------------|
| Men's | <input type="checkbox"/> Small | <input type="checkbox"/> Medium | <input type="checkbox"/> Large | <input type="checkbox"/> Extra-Large | <input type="checkbox"/> 2XL | <input type="checkbox"/> 3XL |
|-------|--------------------------------|---------------------------------|--------------------------------|--------------------------------------|------------------------------|------------------------------|

**Total Number of Shirts** \_\_\_\_\_ x \$20.00 + \$ \_\_\_\_\_

**Navy Blue Wind Jacket:**

- |       |                                |                                 |                                |                                      |                              |                              |
|-------|--------------------------------|---------------------------------|--------------------------------|--------------------------------------|------------------------------|------------------------------|
| Men's | <input type="checkbox"/> Small | <input type="checkbox"/> Medium | <input type="checkbox"/> Large | <input type="checkbox"/> Extra-Large | <input type="checkbox"/> 2XL | <input type="checkbox"/> 3XL |
|-------|--------------------------------|---------------------------------|--------------------------------|--------------------------------------|------------------------------|------------------------------|

**Total Number of Jackets** \_\_\_\_\_ x \$23.50 + \$ \_\_\_\_\_