

# APPRAISING THE PLAINS *of Kansas*

Volume 27 | Issue 2 | Summer 2023



## 2023 KCAA CONFERENCE

The Kansas County Appraisers Association hosted its annual conference in early June in Manhattan. Highlights included an update on the economy and housing market in Kansas, compliance workshops and several team-building events — ranging from zip lining, pictured above, to a visit to the Midwest Dream Car Collection. Full details and plenty of photos are included in this edition of *Appraising the Plains*.

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# DIRECTOR'S UPDATE

## DAVID HARPER, DIRECTOR KANSAS DIVISION OF PROPERTY VALUATION (PVD)

**T**hank you to all who attended the annual business conference in Manhattan. This year, 119 partook in the Wednesday director's update (excluding the PVD

staff) and 79 counties were represented. Our PVD team appreciates the opportunity to participate in the conference each year, and we all absolutely benefit from the discussions throughout the week.

I left the conference with an awareness the remainder of 2023 will be extremely busy for all. For PVD, in addition to our normal, annual tasks, we have prioritized several initiatives.

Heidi DeVore continues to lead the charge for implementation of the Tyler Assessment Connect program. Heidi is coordinating the efforts of PVD and the county beta team, consisting of representatives from Ellis, Johnson, Linn and Miami counties. A major goal is to work with Tyler to assure the reporting and analysis tools contain the most relevant data. A project to bring data together statewide from all counties is a unique venture for all involved and there have been obstacles to work to overcome.

PVD will also be updating and issuing several appraisal directives in upcoming months. A review of the list of directives found at <https://www.ksrevenue.gov/pvddirtoc.html> shows many which provide relevant information on a number of topics, mixed with several directives needing updates to recognize current Kansas law. Directives PVD has identified to revisit include:

- 21-051 - Uniform standards of professional appraisal practice
- 11-043 - View and inspection requirements
- 20-046 - Scope of work and substantial compliance

- 98-032 - Classification and valuation of commercial and industrial machinery and equipment under construction

■ 19-045 - Private appraisal firm requirements  
In response to discussions during the 2023 legislative session, PVD is also working toward a new appraisal directive on the Treatment of Special Conditions in Agricultural Use Valuation.

For new directives, as well as ones with significant change, PVD will hold open meetings to discuss the drafts prior to issuance.

For all registered mass appraisers (RMA), or ones working toward the designation, here's a reminder that the requirements for approved education changed with 2023 legislation. As of July 1, all appraisal courses necessary to qualify for the designation of a registered mass appraiser and all continuing education appraisal courses necessary to retain such designation shall be courses:

- (1) Developed by the director of property valuation specifically related to the administration of the assessment and tax laws of the state; or
- (2) Approved by the Kansas Real Estate Appraisal Board.

The KREAB list of approved courses is constantly changing. There is a link to their approved courses on the PVD site at <https://www.ksrevenue.gov/pvdeducation.html>.

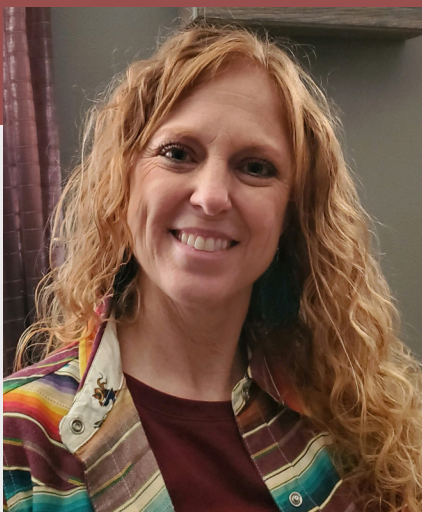
PVD has started the process to update the related administrative regulations for the RMA, and as with the appraisal directives, PVD will offer an open hearing to discuss the drafts before they are finalized.

With all we have going, participation in the monthly Orion calls will be more important than ever. Please mark your calendars to join at 9 a.m. on the third Wednesday of the month.

Thanks to you all for all you do. Be safe and enjoy the summer! ■

Photo on page one: All geared up and ready to hit the lines on Monday's KCAA Conference's zip line excursion. Front row (left to right): Nikki Reid, Marion County; Brian Frese, Marion County; Lori Reedy, Cowley County; Ryan Marshall, Cowley County; Whitney Tien, Phillips County; Lisa Ree, Ellis County; and Deb Studebaker, Butler County. Back row: Christina Doyle, Barton County; Kim Winsett, Ottawa County; Melinda Latham, Mitchell County; Wendy Prosser, Barton County; and Maria Castillo, Finney County.





# MELINDA'S MOMENT

## Melinda Latham, RMA, Mitchell County, KCAA President

I have a sign in my office that says, "I am under no obligation to explain myself to you." I know that is not the case when holding a hearing, but I can dream. Over the last 28 years or so, I have heard some things

from property owners that have made me laugh out loud, or at least smile a little. I realized this year that I should have kept a list over the years and could/should have written a book. These are my top ones for this year.

- "My house value went up. Does that mean my house is worth more now than when I purchased it? Sweet!! Thanks, Mom!!" (This was my first call, it went downhill from there.)

- "I overpaid for my house. Even my realtor told me I overpaid. I can have him write a letter to tell you that I overpaid." (Said realtor did not write him a letter.)

- "I do have a T.E.A. sign in my yard. I don't want to have it there, but if I have to, I will make more." (I am guessing the piece of OSB he made the sign out of cost more than his taxes will increase, and yes, I had to look up what T.E.A. meant.)

- "Do you know what the topic of our bible study was this morning?" (If you guessed me, you are so right.)

With this I feel I have reached my pinnacle in life. I am right up there with Jesus. Granted he gets way more days of discussion than I do (maybe), but hey, I am in the rotation now. It only took me raising values more than 16%. So, if you feel like you need a little extra in your life, career or personal, it's always an option.

If you aren't in awe so far, you may be when you find out there is a private Facebook page that allows people to join and just complain about me. So, there is that...

If you weren't able to attend the KCAA conference in Manhattan in June, you missed out on some great education. You also missed donuts, ice cream and tacos. These were my only requests when planning the conference, and Cindy came through big time! I figured we all deserved it. A song was rewritten for appraisers. Brad Eldridge and Steve Schurle will be going on the road soon, see photo below. If you would like to be a groupie, let me know.

A change is being made to future KCAA conferences. There will be written rules concerning competitions; teams CAN and WILL be disqualified. If you know, you know. 😊

I hope everyone has a great summer!! ■



Brad Eldridge, Douglas County; Steve Schurle, Riley County; Heather Poore, Rooks County; Kara Endicott, Johnson County; and Tracy Weaver, Johnson County; honor the retirement of Steve Miles, Douglas County, by singing the revised country classic "Mama's Don't Let Your Babies Grow Up to be Appraisers," with the room of appraisers behind Steve joining in song.



# LEGISLATIVE UPDATE

## SEAN ROBERTSON, RMA, SALINE COUNTY, KCAA LEGISLATIVE REPRESENTATIVE

The 2023 session of the Kansas Legislature was exciting, even though the final outcome was of no great consequence for appraisers. Here is a rundown of what happened.

**HB2002** passed unanimously through the House and Senate. The portions affecting appraisers are:

1) Appraisers are authorized to send Change of Value Notices electronically upon consent of the taxpayer.

2) PVD is allowed to develop and approve courses for the Registered Mass Appraiser designation when those courses are related to the administration of assessment and tax laws in Kansas. This portion fills the gap in appraiser education that is not filled by the Kansas Real Estate Appraisal Board.

**SCR1610** failed in the Senate. This would have been a constitutional amendment (which would require a vote of the people in addition to passage in the legislature) that would cap value increases at 3% per year with some exceptions (like new construction).

**SCR1611** passed the Senate and will be heard in the House next year. This is similar to SCR1610, but sets the value increase cap at 4% per year. The exceptions to the cap are new construction, classification change, loss of exemption, escaped/omitted property, legal description change and title transfer of the property. If this resolution passes out of the House, it would appear on the November 2024 ballot as a change/amendment to the Kansas Constitution.

**SB169** passed the House and Senate, was vetoed by the Governor and then did not survive a veto override attempt. This was mainly an income tax bill, but it did contain a provision raising the residential exemption from the 20 mills for schools to the first \$60,000 of valuation.

**SB8** passed the House and Senate but was vetoed by the Governor. This bill was a conglomeration of dozens of individual bills that were introduced during the legislative session. There were some good things, some bad things and some weird things in it. The portions dealing with property tax and appraisers were:

- One-time filing of personal property (rather than the annual filing).
- Reduction of late filing penalties for personal property.
- Appraiser is authorized to abate personal property filing penalties.
- Appraiser required to grant a personal property filing extension if good cause is shown.
- Land of a registered agritourism property is to be valued as ag use land.
- Revenue neutral rate notices to have uniform wording and appearance.
- Certain properties that “compete” with government will be exempted from property tax.
- Change of Value Notices to have current and two prior year values displayed.
- Certified Residential Appraiser can do an appraisal for a residential supplemental appeal.
- Taxpayers can have an informal appeal and a payment under protest in same tax year.
- Ag land adverse influences may be applied (puts into law an old PVD directive).

Since this bill did not pass, it is likely that some portions above will become their own separate bills again in 2024 and be debated in each chamber of the legislature.

**SB323** has been introduced, but not heard by any committee yet. This bill would make county appraiser an elected position. This subject comes up every couple of years in the legislature but has not advanced out of committee in recent memory. This bill was introduced in the Senate Taxation Committee but was referred to the Senate Federal and State Affairs Committee for a hearing.

All things considered, the 2023 Kansas legislative session resulted in very few changes for appraisers. It is possible that may change in 2024 though. ■



# 2023 KCAA Conference Recap

The KCAA annual business conference was June 5 to 8 in Manhattan. The conference was well attended by county appraisers and staff. There were 102 full registrants and 42 that attended for education only.

The conference kicked off with a Sunday Fun Day event at Goolsby's where bowling, golf and shooting simulators were popular. Monday morning, 25 golfers hit the links and 11 adventurous folks went zip lining.

Stanley Longhofer, professor of business at Wichita State University, was the opening speaker on Monday afternoon, and the organization elected its 2026 president, DeLinda White, Labette County Appraiser. She will begin serving on the board as vice president in 2024, be president-elect in 2025 and president in 2026.

Monday evening barbecue was served at the Midwest Dream Car Museum. Tuesday was filled with education including a compliance workshop, an overview of Assessment Connect and Directives Review.

It was taco Tuesday for dinner, where three retirees were recognized. Aggieville Olympics, always a favorite, was the evening activity. Wednesday was director's update and RMA presentations. Seventeen people received their RMA designation.



Recipients of the RMA designation, who were present to receive their recognition, left to right: Kimberly Winsett, Ottawa County; Dotti Harrison, Jefferson County; Michelle Jarmer, Dickinson County; Andrew Long, Anderson County; Joetta Glessner, Riley County; Trecia McDowell, Sedgwick County; Holly Hackathorn, PVD; and William Yoder, Sedgwick County.

RMA designated recipients not pictured are Stacey Corby, Sedgwick County; Jaclyn Denny, Sedgwick County; Ginny Lietzke, Sedgwick County; Brooke Mantey, Harper County; Lacey Neptune, Reno County; Kristina Ressler, Sedgwick County; Jason Riddle, Sedgwick County; Grant Schmidt, Sedgwick County; and Spencer Wasman, Johnson County. ■

*Pictured right, Steve Miles, Douglas County, was recognized for his years of work in the appraisal industry. Miles retired on June 23 after 32 years at the county. He is pictured with Brad Eldridge, a fellow Douglas County appraiser.*



*After 40 years in the industry, Cindy Magill (right) retires! She is pictured with Kathy Bridges, Linn County.*



*Debbie Thompson, retiring Atchison County appraiser, was recognized for her years of service. She is pictured (right) being presented a watch from Melinda Latham, KCAA President and Mitchell County appraiser.*



## Kansas Economic and Housing Market Update

Presented by Stanley Longhofer, Professor and Stephen L. Clark Chair of Real Estate and Finance Director, Wichita State University Center for Real Estate

BY BRAD ELDRIDGE, MAI, CAE, RMA, DOUGLAS COUNTY, EDITOR

Kansas is blessed to have several universities staffed with economists to share their insight and research. One of the local experts is Professor Stanley Longhofer from Wichita State University, who is an expert in both real estate and economics. Longhofer kicked off the 2023 KCAA conference with the session "Kansas Economic and Housing Market Update."

Longhofer's presentation addressed the different signals we're getting from the economic data. The

public feels that with the higher interest rate environment and slowing economy, we are either in or heading toward a recession. However, the data does not show a recession is present.

General observations:

- Quarterly domestic product growth is still positive.
- Unemployment rate for Kansas (2.9%) and the U.S. (3.7%) are at historic lows.
- Employment growth (near 3%) is above historic norms (below 2.5%).

■ Long-term interest rates are near or below short-term interest rates (inverted yield curve).

■ Inflation has decreased from the peak of 9% in early 2022 to 5% in early 2023.

■ CPI inflation is on a decreasing trend, becoming more in line with historical averages.

■ Mortgage Brokers Association forecasts that mortgage rates will fall in late 2023/2024.

■ Kansas home sales activity has decreased due to a smaller supply of homes available for sale.

■ Typical supply is four to six months of homes, but supply levels have been below four months since 2020.

■ Days-on-market for home sales still at historic lows.

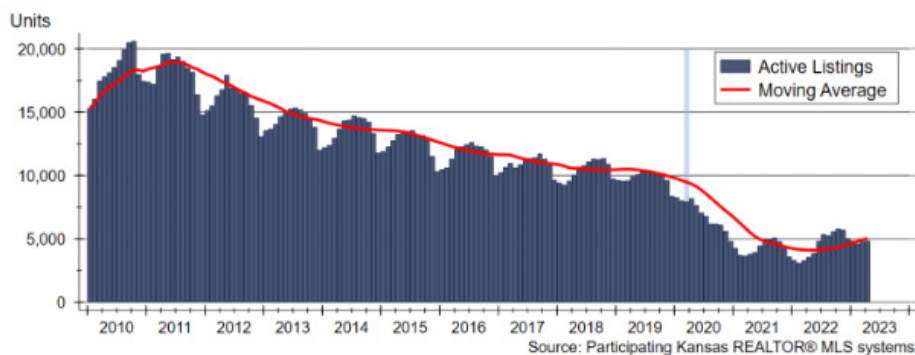
■ Home price appreciation at roughly 7.5% for rural Kansas — and Kansas as a whole.

■ Single-family building permits since 2010 have been less than half of the permit volume experienced in 1995-2006.

A copy of the full presentation can be found at <https://realestate.wichita.edu/kansas-county-appraisers-association-presentation/> ■



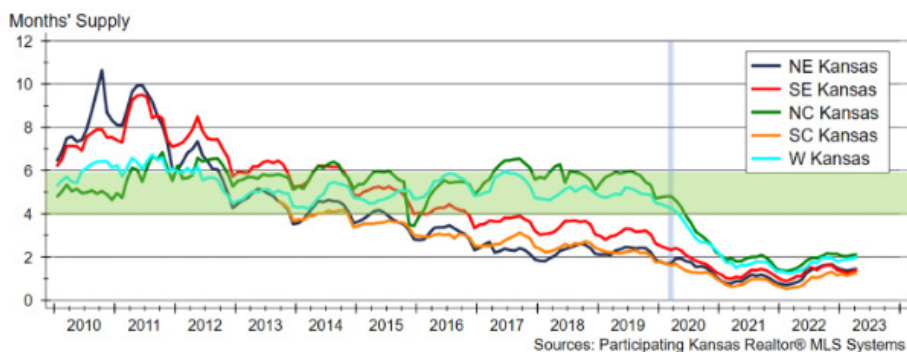
### Homes Available for Sale in Kansas



WICHITA STATE UNIVERSITY  
W. FRANK BARTON  
SCHOOL OF BUSINESS

WICHITA STATE UNIVERSITY

### Months' Supply across Kansas Regions



WICHITA STATE UNIVERSITY  
W. FRANK BARTON  
SCHOOL OF BUSINESS

WICHITA STATE UNIVERSITY



## PVD Compliance Workshop

BY LISA REE, RMA, ELLIS COUNTY, STAFF WRITER

Mike Dallman presented a compliance update at KCAA conference in Manhattan. Even though there will be no major changes to the 2023-2024 procedural compliance guidelines, Dallman highlighted many of the deadlines and requirements outlined in the guide. He also provided a couple of reminders:

- The current CRS Extract Report – Com class value increase > 5% with prior year appeal only looks at the prior year value. Counties were reminded K.S.A. 79-1460 states that a commercial value cannot increase more than 5% of the previous year's value for the two years following a value reduction made in the appeals process.

- Replacement Cost New (RCN) figures in Orion are updated annually using Marshall-Swift's first-quarter costs for residential buildings and second-quarter costs for commercial buildings. Counties were reminded of this in case they use third-or-fourth quarter cost figures other than those provided by PVD guides or in Orion. Examples would be specialized improvements that Orion does not have RCN data on, such as mobile home parks, water towers, golf courses or other sport-related improvements.

Although there were no significant guide changes, there were a few questions from attendees.

One question focused on the use of tablets for re-inspection and sales field reviews. Those using Field Mobile do not have a physical PRC that shows any reviews or changes made. Instead, they will have an audit log that lists changes made to a parcel.

(For seasoned appraisers, the audit log is like the old end-of-day reports.)

At issue is how using tablets for data collection fits with compliance requirements of 17% and quality control. PVD and the maintenance specs committee will review the issue.

PVD is looking at Directive #11-043, which covers physical inspections and how using aerial imagery complies with the legislature's intent when requiring a physical inspection.

Income and expense surveys were also discussed. For counties that don't have many income producing properties and in the past have had very few surveys returned, the question asked was why is it necessary to continue sending questionnaires? Some conveyed the sentiment that sending out income and expense surveys had become a waste of time and energy. The response was the maintenance specs committee will review the question and make sure the statutes are being followed.

A third topic concerned index study documentation. A county was generating the CRS extract index study and also working up their own index study. From these two methods, they were able to determine an index range from the market data. The index the county landed on was derived from that range, yet they were required to explain why they chose that particular rate. The county felt that was an unnecessary requirement.

In most cases, PVD would like to see a brief discussion on how the appraiser made the conclusion applied. This will also assist any subsequent staffing changes at the county who may need a reference on why certain determinations were made in prior years.

Even though attendees were provided with a copy of the 2023-2024 procedural compliance guidelines, it is not the final product. PVD will notify counties when the guide is finalized and available on its website. ■

*Image Source: Microsoft 365*



## KCAA 2023 Golf Tournament

BY DELINDA WHITE, RMA, LABETTE COUNTY

The KCAA annual golf tournament was a success as usual. We had a great day of golfing that became a little warm by the end, but — all in all — it was good! We played at Colbert Hills Golf Course in Manhattan.

The top three teams were:

- First place: Zach Edwards, Danny Grant and Kyle Nelson, who shot 68.
- Second place: Bruce Hardesty, Ryan Michaelis, Matt Quick and DeLinda White, who shot 69.
- Third place: Scot Carson, David Gillmore, Ryan Janzen and Shawn Showman, who shot 70.
- Longest Putt on hole #9 was Brady Woborny.
- Closest to the pin on hole #11 was Jeff Ramsey.
- Longest drive for men on hole #16 was Danny Grant.
- For longest drive for women on hole #16, there was a mix-up with another group also having a tournament there that day, so we gave all the women a prize: Kara Endicott, Rae Schnacker and DeLinda White. ■

*Pictured above : David Harper shows how his pickle-ball skills translate to long drives on the golf course.*



*It's tough to pick the best ball when everyone hits the green! Pictured left to right: Bruce Hardesty, DeLinda White and Ryan Michaelis.*



*Rae Schnacker enjoys a day on the Colbert Hills Golf Course.*

*Photos courtesy of Delinda White*



# KCAA CONFERENCE



Rae Schacker, PVD, and Ryan Marshall, Cowley County, prepare for battle.



Tina Keeler, Pawnee County; Rachelle Standley, Graham, Sherman and Trego counties; and Tracy Miller, Greeley County; had a great time.

## SUNDAY FUN DAY!

The KCAA Conference kicked off with Sunday Fun Day at the Goolsby's. Equitable Solutions, LLC, sponsored the event, which included pin bowling, sports simulators, foosball, cornhole, darts, vintage video games and opportunities to connect with fellow appraisers. ■

Kelly DesLauriers, Lane, Ness and Rush counties, takes aim.



Roger Fogleman, Allen County, and Lori Sturdy and Debbie Noonan from Coffey County visit during the Sunday Fun Day event.



Kara Endicott, Johnson County, demonstrates the perfect stance.



Ryan Janzen, Lyon County, and David Gillmore, Russell County, look like naturals at foosball.



Betty Roeder, Nemaha County, contemplates her next move.



## KCAA CONFERENCE

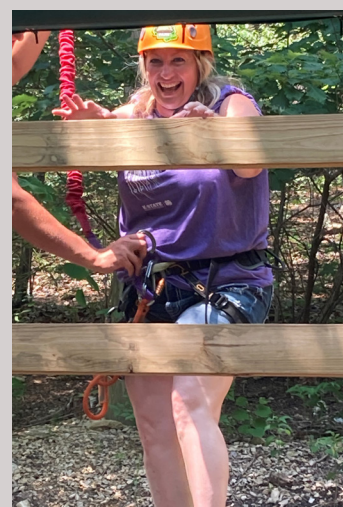


## Dinner with Dream Cars

The KCAA conference included a dinner at the Midwest Dream Car Collection Museum in Manhattan. It truly was a collection of dream cars, ranging from the first models built in the 1900s to current day supercars.

Cher's Mustang, Bandit's Firebird and a Lamborghini tractor were among the many vehicles at the Midwest Dream Car Museum. See the full vehicle directory at <https://midwestdreamcarcollection.org/exhibits/vehicle-directory/>.

Pictured right: Nikki Reid, Marion County; Kim Winsett, Ottawa County, and Kristina Silva, Rice County, enjoy themselves at the Midwest Dream Car Museum. ■



## High-Flying Appraisers

A group of thrill-seeking appraisers kicked the conference into high gear by zip lining at Wildwood Adventure Park on Monday.

The group was all smiles after some fun zipping. Pictured above left to right: Deb Studebaker, Butler County; Brian Frese, Marion County; Lisa Ree, Ellis County; Lori Reedy, Cowley County; Ryan Marshall, Cowley County; Nikki Reid, Marion County; Whitney

Tien, Phillips County; Melinda Latham, Mitchell County; Kim Winsett, Ottawa County; Wendy Prosser, Barton County; Maria Castillo, Finney County; and Christina Doyle, Barton County.

"Look Mom, no hands!" Pictured above middle, Maria Castillo, Finney County, soars high above.

Wendy Prosser, Barton County, pictured above right, has a big grin after the free fall. ■



# Aggieville Olympics

The well-loved Aggieville Olympics returned to the KCAA Conference in June. The winners are, pictured upper left, Ronnie Tidwell, Sedgwick County; Lance Leis, Washington County; Scot Carson, Lyon County; David Gillmore, Russell County; Brad Eldridge, Douglas County; and Steve Bauman, Shawnee County. Not pictured David Harper, PVD.

Competition was tough. Pictured middle left, Jamie Wilson, Franklin County; Rachelle Standley, Graham, Sherman and Trego Counties; Alicia Baumfalk, Rawlins County; Eugene Rupp, Ellis County; and Kelly Deslauriers, Ness, Rush and Lane Counties.

Pictured below left, DeLinda White, Labette County; Cindy Brenner, KCAA Secretary; and Jeremy Hendren, Chautauqua County; appear to be enjoying themselves during the Aggieville Olympics. ■



Among the offerings at the Aggieville Olympics was Giant Jenga!

Pictured above: Kristina Silva, Rice County; Kim Winsett, Ottawa County; Jason Balluch, Kimble Mapping; Brian Frese, Marion County; Andrew Durbin, Chase County; and Nikki Reid, Marion County.

Picture far left: It looks like Kristina Silva, Rice County, has found just the perfect piece to pull.

Picture left: Andrew Durbin, Chase County, is really concentrating!



# KCAA NEWS + NOTES

## KCAA Executive Board January Meeting Minutes

**Location:** Shawnee County Annex Building, 1515 NW Saline, Topeka

**Date:** Tuesday, Jan. 24, 11 a.m.

**In Attendance:** Beau Boisvert, Lori Reedy, Ryan Michaelis, Kelly Deslauriers, DeLinda White, Ryan Janzen, Mindy Harting, Melinda Latham, Cindy Brenner, Deb Studebaker, David Harper

**I. Previous Meeting Minutes** — Meeting minutes approved

**II. Financial Report** — Approved

**III. Treasurer's Report** — Approved

**IV. Legislative Update** — Ryan J.: Talking points for this evening's legislative reception sent out by Sean. Bill reducing penalty for PP. Kelly had someone contact her about not knowing about the bill. 52 M is the fiscal note with the bill.

**V. 2023 Education** — Cindy gave counts. Lori asked about res data collection class. There are 25 people in and 45 registered. David responded that PVD was working on adding an additional class. Beau brought up that they did an online USPAP update class if KCAA had any interest in doing one. That may be an option for counties that have a large number of folks wanting to attend. KCAA will be offering Power BI in Wichita. Melinda has had people ask about seminars on irrigation, affordable housing, elevators, etc. Bob called Melinda, three new RFPs sent out — grain elevator, field lot and special use. He is wanting some county appraisers to be involved. Eugene Rupp for grain elevator, Kim Frodin for feedlot, Kristina Silva for special use. David mentioned he thought it would be helpful to have a county appraiser part of the bid process.

**VI. 2023 Conference and Meetings** — Stan Longhofer is set to be opening speaker. Compliance will only be in the morning. Assessment Connect in the afternoon. Kelly asked about doing irrigation session then. Ryan J. mentioned Brad was open to a deeds session. Ratio tool in Orion training as an option for session. Market modeling was brought up as a session option.

**VII. Truck/Watercraft Values** — Kelly discussed the increases. Boats are going up, specifically older (five years or more). Numerous counties are just following the guide. Others are going by release dates. Kelly is waiting for February release date. In the price guide, April to May jumped up a ton. Everyone seems to be doing things their own way. As long as you have

documentation was the consensus on what to do. Concern is county-to-county consistency if every county is doing things differently.

**VIII. Ratio** — Pete says everyone is a year-and-a-half behind. Melinda discussed an email she received from Pete. DeLinda mentioned that appraisers are the ones that know the properties, so the state should be reviewing the information on bad sales on commercial. Melinda commented that she always gets communication about why losing points. Other counties mentioned they do not. Lori mentioned there should be a better margin of error. David mentioned that Nikki said they are adding res./ag data collection class.

**IX. Electronic Valuation Notice** — David discussed that you can request alternate methods, but just if value didn't change — but that doesn't apply. Beau said Johnson County just excludes those that they don't want to print. Would require statute change.

**X. Car Washes** — Gene Bryan chose not to pursue this.

**XI. Other Business** — President and VP typically are sent to IAAO. Ryan would prefer to go to NCRAAO. Board voted and approved to send Ryan M. to NCRAAO instead of IAAO.

Ryan J. reported there was an assessment connect meeting yesterday. Summer roll out is the time frame.

## KCAA Executive Board April Meeting Minutes

**Location:** Saline County Building, 300 W. Ash, Room 213, Salina

**Date:** Friday, April 14, 10:30 a.m.

**In Attendance:** Melinda Latham, Mindy Harting, Kim Frodin, Kathy Bridges, Ryan Michaelis, Lori Reedy, Kelly Deslauriers, Wendy Prosser, Melody Kikkert, DeLinda White, Sean Robertson, Deb Studebaker

**I. Previous Meeting Minutes** — Approved with no changes

**II. Financial Report** — Total KCAA funds: \$312,948.29 with \$159,124.53 being Orion enhancement fund — so operating funds of \$153,823.76

**III. Treasurer's Report** — Lori reconciled accounts, no discrepancies

**IV. Legislative Update** - Three percent cap on values and other legislation — see Sean's print out. SB1611 will not be heard until next year at the earliest. Melody mentioned in Florida the cap is on assessed value (not appraised). Sean mentioned that on the Senate side there is not knowledge on assessed vs appraised. He also mentioned Colorado's model is

*continued on page 13*



## 2023 KCAA EDUCATION OPPORTUNITIES

COURSE	DATE	LOCATION	INSTRUCTOR	COST
RMA Residential Review	Oct. 3-5	Topeka	Kara Endicott	\$350
RMA Commercial Review	Nov. 14-16	Topeka	Brad Eldridge	\$350
<a href="#">IAAO 101</a> Fundamentals of Real Property Appraisal	July 31 - Aug. 4	Topeka	Barry Couch	\$525
<a href="#">IAAO 102</a> Income Approach to Valuation	Sept. 18-22	Topeka	Brad Eldridge	\$525
<a href="#">IAAO 201</a> Appraisal of Land	Oct. 16-20	Wichita	Shannon Hiss	\$525
<a href="#">IAAO 300</a> Fundamentals of Mass Appraisal	Oct. 2-6	Manhattan	Barry Couch	\$525

### Locations

Topeka  
Shawnee County Annex  
1515 NW Saline St.  
Topeka, KS 66618

Manhattan  
Riley County Public Works  
Building  
2215 Tuttle Creek Blvd.  
Manhattan, 66503

Wichita  
TBD

### REGISTER FOR KCAA CLASSES:

[www.kscaa.net/education/online-education-registration](http://www.kscaa.net/education/online-education-registration)

*KCAA Executive Board Minutes continued from page 12*

something he doesn't 'hate.' Sean mentioned our arguments are what they are wanting to get rid of. Introduces more inequity in the system (Lori brought this up). There is lack of public knowledge that this will really not have an affect on taxes. Most counties are already 3-4%. SB323 elected appraiser will be done until next year. Still leaves in provisions that commissioners can get rid of appraisers — poorly written bill overall. Agritourism aspect re: KAC is not subject to any building codes so KAC is wanting more clarification on it (not really an appraiser issue). SB169 will likely be signed this year. HB 2002 will potentially be voted on.

**V. 2023 Education** — Cindy gave numbers on IAAO classes. Ryan thought it would be good to do more of a workshop with actual data for Power BI. Cindy to check with David Cornell about an additional intro.

class for sure.

**VI. Grant in Aid/Hagemann Trust** — Motion made to retain the Hagemann Trust \$500 in Kansas. Motion approved and seconded to retain those funds and use it for grant in aid. Hagemann Trust needs.

**VII. 2023 Conference and Meetings** — Stan Longhofer will be there for Monday afternoon.

**IX. 2023 Retirees** — Lisa Ree will be asked when she'd like to be honored and Cindy Magill confirmed she would like recognized this year. Board members will ask around about anyone else.

**IX. Other Business** — Mindy is going to NCRAAO because she will be our president in 2025. Motion made to pay for her expenses (registration covered already). Seconded and approved. Cindy and Mindy met with Salina hotel to potentially host NCRAAO '25. Motion made, seconded and approved to adjourn. ■



## KCAA GRANT IN AID

BY MELINDA LATHAM, MITCHELL COUNTY,  
KCAA PRESIDENT

The KCAA Grant in Aid program is governed by the education committee. Grants can be used for conferences or educational classes. To be eligible for a grant, an applicant must meet a few criteria:

1. Applicant must be a member or associate member of KCAA in good standing, or a county appraiser employee.
2. If request is funding for the KAM Conference, applicant must be in good standing of KAM.
3. If request is funding for IAAO school or conference, applicant must be a regular IAAO member, associate IAAO member or affiliate IAAO member in good standing.
4. Applicant must show jurisdiction is unable to meet the full expense.

### Guidelines for Administering Grants:

1. **All applications will be reviewed at one time** and a determination will be made on all application. If money should still be available after the initial sign-up, then KCAA will re-advertise and re-open applications until funds are depleted.
2. **For educational offerings**, preference will be given to applicants who need the course to complete requirements for a professional designation (RMA, KAM Designation, IAAO Designation or KREAB Certification).
3. **For KCAA annual conference**, directors update, or KAC, preference will be given for applicants who will receive their RMA designation at this meeting.

4. **For KAM conference**, preference will be given for applicants that will be taking the KGISP, PKM or KM exam and/or will be receiving this designation at the conference, or those who are nominated for a mapping award.

5. **For IAAO conference**, preference will be given to applicants that will be receiving an IAAO designation at the conference or who have a designation and will receive re-certification credit for attendance.

6. **For NCRAAO conference**, preference will be given to applicants that show need for continuing education credit hours for PVD eligibility.

7. If there are more applicants than grants available, preference will be decided as above and then those applicants will be weighed based on years of membership in KCAA.

8. If more than one applicant from any one jurisdiction applies in the same year, preference shall be given as stated above.

9. If both are received at the same time, then years of membership in KCAA will be the deciding factor.

10. If funds are such that no other applications have been received and grants are still available, then additional grants from the same jurisdiction shall be awarded.

For 2023, four grants were given: Kimberly Winsett, Ottawa County; Traci Buchanan, Trego County; Helen King, Rooks County; and Brooklyn Sidebottom, Sherman County.

Applications can be found on the KCAA website. The application deadline is May 15 each year. ■

*Photo Source: Microsoft 365 Stock Images*



# REAL ESTATE NOTES OF INTEREST



BY BRAD ELDRIDGE, DOUGLAS COUNTY, EDITOR

## **US Housing Market Needs More Than 300,000 Affordable Homes for Middle-Income Buyers,**

*National Association of Realtors, June 8.* "The U.S. housing market is missing about 320,000 home listings valued up to \$256,000, the affordable price range for middle-income buyers (households earning up to \$75,000)."

## **Housing Market Update: There Are Nearly 40% Fewer Homes For Sale Than Pre-Pandemic,**

*by Dana Anderson, Redfin, June 15.* "The total number of U.S. homes for sale dropped 6% from a year earlier during the four weeks ending June 11, the biggest decline in 13 months. New listings dropped 23%, continuing a 10-month streak of double-digit declines. Those add to the deepening post-pandemic inventory shortage; there are 39% fewer homes for sale now than there were five years ago, in June 2018."

## **Instant Reaction: Inflation, June 13,**

*by Lawrence Yun, National Association of Realtors.* "Inflation calmed down in May, and further deceleration looks likely in the upcoming months. It also marks the first month in two years that wage growth outpaced consumer price inflation, improving the average standard of living. Moreover, low inflation means that the Federal Reserve should stop raising interest rates and

possibly slash rates towards the year-end or early next year."

## **Realtor.com® May Housing Report: Home Price Gains Slow to Lowest Rate on Record,**

*Realtor.com, June 1.* "April and May are historically popular months to buy, and typically by this time in the year we've exceeded the prior year's peak home price. Weakening home price growth for the past 12 months is increasing the odds that we may not see a new home price peak this year, for the first time in the history of our listing data, which dates back to mid-2016, and this is likely welcome news to home shoppers."

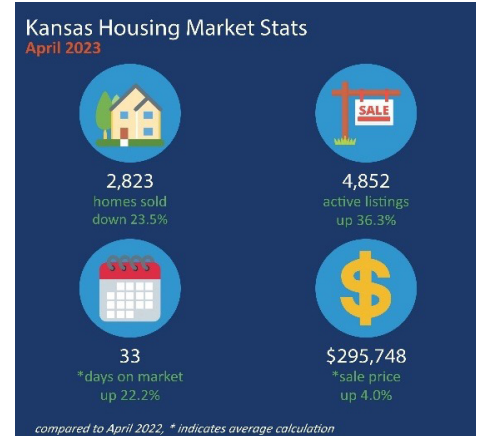
## **60% of a Home's Sales Price Goes to Construction Costs,**

*National Association of Home Builders, March 13.* "Since the inception of this series in 1998, this is just the fourth time construction costs represent over 60% of the total price of the home — it was 61.7% in 2013 and 61.8% in 2015. The finished lot cost was the second largest cost at 17.8% of the sales price, down from 18.5% in 2019. At 5.1% in 2022, overhead and general expenses were also essentially unchanged when compared to 2019 (4.9%). The remainder of the average home sale price consisted of sales commission (3.6%), financing costs (1.9%), and marketing costs (0.7%)."

## **Kansas Housing Market Stats**

**— April 2023,** *by Heather Gray, Kansas Association of Realtors, May 24.* "Home sales in Kansas fell by 23.5% in April 2023 compared to the same period last year. National sales fell with sales falling 23.2% over 2022. Home prices continue to increase across the state. The statewide average sale price in

April was \$295,748 a 4% increase compared to last year. Midwest prices rose 1.8% and US prices fell 1.7%. Mortgage rates remained steady. The national average commitment rate on 30-year conventional mortgage for the week ending May 19 was 6.39%."



## **Kansas Housing Market Overview,**

*Redfin, June 2023.* "In May 2023, home prices in Kansas were up 2.1% compared to last year, selling for a median price of \$276,300. On average, the number of homes sold was down 10.8% year over year and there were 3,320 homes sold in May this year, down 3,716 homes sold in May last year. The median days on the market was 16 days, down seven days year over year."

## **Mortgage Rates Decline After a Three-Week Ascent,**

*Freddie Mac, June 8.* "30-year fixed-rate mortgage averaged 6.71% as of June 8, down from last week when it averaged 6.79%. A year ago at this time, the 30-year FRM averaged 5.23%. 15-year fixed-rate mortgage averaged 6.07%. A year ago at this time, the 15-year FRM averaged 4.38%."

## **Uncertain Valuations Cool Real Estate M&A Activity,**

*by Beth Mattson-Teig,*

*continued on page 15*

# REAL ESTATE NOTES OF INTEREST

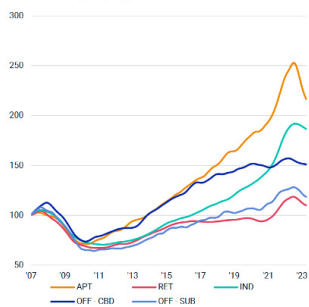
Real Estate Notes continued from page 14

**WealthManagement.com**, June 12. “Real estate M&A activity likely to remain relatively quiet through the rest of the year with obstacles impeding deals among both public and private real estate companies. The cost of capital and uncertainty around valuations are the two biggest hurdles. For any participants that require leverage, the cost to get a deal done is more expensive, and in certain cases, access to debt is more difficult as well.”

## Change in RCA CPPI April 2023

	1-mth	3-mth	1-yr	3-yr	5-yr	10-yr
Office	-0.8%	-2.7%	-6.9%	10.0%	16.3%	68.1%
Office - CBD	-0.2%	-0.5%	-3.8%	-0.3%	7.0%	69.4%
Office - Sub	-0.7%	-2.7%	-6.3%	11.5%	17.3%	67.7%
Industrial	-0.5%	-1.5%	-0.8%	39.5%	63.9%	143.9%
Retail	-0.5%	-2.3%	-6.0%	15.3%	16.7%	46.9%
Commercial	-0.7%	-2.4%	-5.7%	17.7%	26.2%	75.0%
Apartment	-1.5%	-5.2%	-12.1%	17.9%	39.7%	126.8%
All Types	-1.1%	-4.0%	-9.4%	16.3%	28.9%	89.4%
6 Major Metros All Types	-0.9%	-2.9%	-9.8%	6.6%	16.0%	75.1%
Non-Major Metros All Types	-1.1%	-3.8%	-8.3%	21.5%	35.7%	97.7%

National Property Types



## RCA CPPI US Commercial Property Price Indexes, April 2023, MSCI, May 26.

“All the major property types posted annual declines in April, marking the first time since September 2010 that prices fell across the board.”

## Monthly Construction Input Prices Decrease in May, ABC, June 14.

“Overall construction input prices are 3.7% lower than a year ago. Nonresidential construction input prices are 3.4% lower. Prices declined in all three energy subcategories.”

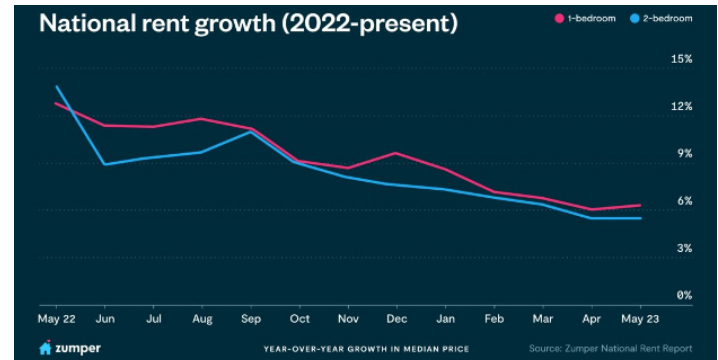
## ULI’s Spring Real Estate Economic Forecast Projects Slowed GDP Growth as Inflation Decreases, by Ella Fertitta, ULI Americas, May 25.

“Commercial real estate transaction volume is forecast to drop in 2023 to \$425 billion, down from \$730 billion in 2022. However, transaction volume is expected to rebound in 2024 to \$525 billion and reach \$695 billion by 2025. Prices across all property types are expected to decline 8% in 2023 – the largest all-types drop since 2010. Prices are projected to grow 2.6% in 2024 and 5.0% in 2025.”

## Green Street Finds Retail Sentiment ‘Overwhelmingly Positive’, by Richard Berger, GlobeStreet.com, May 30.

“Green Street met with a variety of retail owners and operators this month

during the ICSC annual conference and found that sentiment was overwhelmingly positive on fundamentals with tenant demand remaining robust despite macroeconomic and recessionary concerns.”



## Zumper National Rent Report, Zumper, May 24.

“Most of the country has settled back into traditional seasonal patterns, with prices increasing slightly in the spring and summer, peaking during the fall, then dipping during the slower winter months.”

## Mall Visits Remain Sluggish, But Could Gain Steam, by Amy Wolff Sorter, ConnectCRE.com, June 8.

“Economic headwinds continue to impact mall traffic. The data noted that year-over-year visit gaps for all three mall categories (indoor, open-air and outlets) grew. Consumers are cutting back on their visits, but are spending more time at malls; and outlet malls are experiencing the highest median visit length, increasing by 5.5% year over year.”

## Industrial Investors Show More Caution on New Deals, by Patricia Kirk, WealthManagement.com, June 6.

“Demand may not be what it was in 2022, but is still incredibly strong relative to historical standards, and we are returning to a more normalized lease-up timeline for assets. Industrial tenants continue to be active as they expand operations, especially in facilities of 250,000 sq. ft. or smaller. But the decision-making process for new leases has lengthened from one-two months in 2022 to three or four months today.”

## Advance Monthly Sales for Retail and Food Services, May 2023, U.S. Census Bureau, June 15.

“Advance estimates of U.S. retail and food services sales for May 2023 were up 0.3% from the previous month, and up 1.6% above May 2022. Total sales for the March 2023 through May 2023 period were up 1.7% from the same period a year ago. Retail trade sales were up 0.3% from April 2023, and up 0.7% above last year. Nonstore retailers were up 6.5% from last year, while food services and drinking places were up 8.0% from May 2022.”

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# REAL ESTATE NOTES OF INTEREST

*Real Estate Notes continued from page 15*

**Refinancing Could Be Disaster for Many Loans, Not Just Office**, by Erik Sherman, *Globestreet.com*, June 8. "Trepp performed an analysis on maturing loans that by 2024 could land with a debt service coverage ratio (DSCR) based on net cash flow (NCF) of less than 1.25 times (a common risk management threshold), assuming loan coupon escalations."

**First Quarter 2023 National Industrial Market: Conditions & Trends Report**, *Newmark*, June 2023. "While demand is decelerating, overall market fundamentals remain healthy for industrial property."

**Office Space Demand Forecast, Second Quarter 2023**, by Hany Guirguis and Michael J. Seiler, *Commercial Real Estate Development Association*, June 2023. "The national office market experienced total negative net absorption of 21.3 million square feet through the fourth quarter of 2022 and the first quarter of 2023, bringing the vacancy rate to 17.8%, the highest level since the second quarter of 1993. The COVID-19 public health emergency officially ended in the United States on May 11, but remote and hybrid work arrangements remain largely in place and continue to negatively affect demand for office space."

**U.S. Hotels State of the Union**, *CBRE*, June 8. "Wage growth outpaces RevPAR and Airfare gains, fueling continued travel."

**Fact Sheet: Biden-Harris Administration Takes Sweeping Action to Address Racial Bias in Home Valuations**, *White House Briefing Room*, June 1. "Two years ago, President Biden announced the creation of the Interagency Task Force on Property Appraisal and Valuation Equity (PAVE). The PAVE Action Plan involves: Preventing algorithmic bias in home valuation; Empowering consumers to take action against appraisal bias; increasing transparency and leveraging federal data to inform policy and improve enforcement against appraisal bias; and breaking down barriers to entry into the appraisal profession."

**Editor's Note:** *This issue has been more prevalent in the private sector of appraisal, but the public expectations are the same — transparency and fairness. County appraisers strive for fairness, but expectations on transparency will continue to grow. We all need to be ready to provide this to the public, which means more time and resources dedicated to these efforts. ■*

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