

House Taxation Committee

February 17, 2023

Testimony of Brad Eldridge, Real Estate Appraiser

Regarding HB-2232

I am submitting testimony **in favor** of HB-2232, with one minor revision as noted in this document. Thank you for considering my experience on this issue. My background:

- Douglas County Commercial Real Estate Supervisor since 2012;
- Kansas Certified General Appraiser since 2001;
- Registered Mass Appraiser (RMA) since 2014;
- Real estate appraisal instructor since 2013;
- Education Committee, 2016, Chair, 2017-2018 (International Association of Assessing Officers); and
- Professional Development Committee, 2019 (International Association of Assessing Officers).

HB-2232 seeks to resolve issues in K.S.A. 19-430 stemming from the passing of SB-72 that moved the responsibility of county appraiser education from the *Property Valuation Division* (PVD) of the *Kansas Department of Revenue* (KDOR) into the hands of the *Kansas Real Estate Appraisal Board* (KREAB).

Why Revision Is Needed

- The PVD of KDOR is responsible for regulating all County Appraisers and determining whether counties are in compliance with state law.
- Kansas County Appraisers must know state statutes, regulations, and mass appraisal methodology to be in compliance with the requirements of PVD.
- KREAB's coursework approval process excludes some classes required by PVD to obtain the RMA designation and necessary for compliance with state law.
- RMA designee candidates cannot obtain the RMA given the current wording in K.S.A. 19-430.
- The agency (PVD) in charge of regulating County Appraisers and the RMA designation needs to be responsible for the RMA education requirements, not KREAB.
- The RMA designation is one of the requirements to be a County Appraiser in Kansas.
- This further exacerbates the existing shortage of qualified appraisers for Kansas counties.

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PVD Coursework Teaches

- How the property tax system works;
- How to use statistics to develop and calibrate valuation models when valuing large groups of properties;
- How to test accuracy of value estimates using sales ratio studies (required by state law);
- How to test equity among value estimates when valuing groups of properties (required by state law);
- How to estimate adequate staffing to perform all the duties required of the Appraiser's Office; and
- Ethical considerations and guidance for the public servant role in the property tax assessment system.

A vote **YES** for HB-2232 improves the education and competency for Kansas County Appraisers, while matching the education requirements with the appropriate regulatory agency.

Language in Proposed Draft Needs Revised from "Developed" to "Approved"

I recommend that the Taxation Committee's proposed draft, page 2, lines 5-13, be modified as follows:

(c) On and after July 1, 2023, 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~~ **Approved** 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 pursuant to K.S.A. 58-4105, and amendments thereto.

The language of **approved** should be consistent for both the Director of Property Valuation **and** the Real Estate Appraisal board. This will allow RMA candidates the full spectrum of appropriate coursework needed to be a County Appraiser in Kansas.

I am available to contact if you have any questions on this topic. Thank you for your time and consideration of an appraiser's perspective on this matter.

Respectfully,



Brad Eldridge, MAI, CAE

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