

Proposed

State of Kansas

**Department of Revenue  
Division of Property Valuation**

**Notice of Hearing on Proposed  
Administrative Regulation**

A public hearing will be conducted on Friday, March 20, 2015 at 1 p.m. in the office of the Director of Property Valuation, 4<sup>th</sup> Floor, Docking State Office Building, 915 S.W. Harrison Street, Topeka, Kansas 66612-1585, to consider the adoption of a proposed rule and regulation of the Secretary of Revenue.

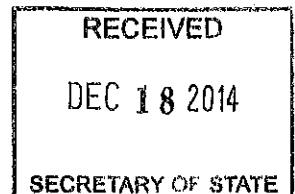
This 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed rule and regulation. All interested parties may submit written comments prior to the hearing to Roger Hamm, Deputy Director of Property Valuation, Division of Property Valuation, 4<sup>th</sup> Floor, Docking State Office Building, 915 S.W. Harrison Street, Topeka, Kansas 66612-1585 (roger.hamm@kdor.ks.gov).

All interested parties will be given a reasonable opportunity to present their views orally regarding the adoption of the proposed regulation during the public hearing. In order to give all persons an opportunity to present their views, it may be necessary to request that each participant limit any oral presentation to five minutes.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulation and economic impact statement in an accessible format. Request for accommodation to participate in the hearing should be made at least five working days in advance of the hearing by contacting Roger Hamm at (785) 296-2365. Handicapped parking is located in State Parking Lot No. 2, southeast of the Docking State Office Building facing 10<sup>th</sup> Street, and the east entrance to the Docking State Office Building is accessible.

A summary of the proposed regulation and its economic impact follow. (Note: Statements indicating that a regulation is "not anticipated to have any economic impact" are intended to indicate that no economic impact on the Department of Revenue, other state agencies, state employees, or the general public has been identified.)

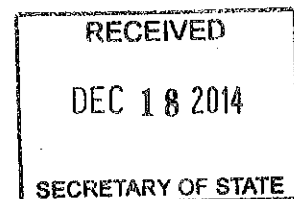
A copy of the proposed regulation and the Economic Impact Statement for the proposed regulation can be viewed at the following website: <http://www.ksrevenue.org/pvd.html>.



Proposed

**93-9-1. Appraiser qualifications; appraisal reports.** Any appraiser of any complex industrial property who is included on the list of qualified appraisers required to be maintained by the director of property valuation shall be certified or licensed pursuant to the state certified and licensed real property appraisers act, K.S.A. 58-4101 et seq. The appraisal report must be developed and reported in compliance with the 2014-2015 edition of the uniform standards of professional appraisal practice. Since this regulation simply clarifies current policy, it will have no economic impact.

Nick Jordan  
Secretary of Revenue



Article 9.—Complex Industrial Property

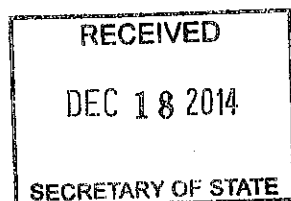
**93-9-1. Appraiser qualifications; appraisal reports.** (a) Each appraiser of any complex industrial property who is included on the list of qualified appraisers required to be maintained by the director of property valuation pursuant to K.S.A. 2014 Supp. 79-5b01, and amendments thereto, shall be certified or licensed pursuant to the state certified and licensed real property appraisers act, K.S.A. 58-4101 et seq. and amendments thereto.

(b) Each request for an appraisal of any complex industrial property shall be submitted on a form prescribed by the director of property valuation.

(c) Each appraisal report shall meet the following requirements:

(1) Be developed and reported in compliance with the 2014–2015 edition of the uniform standards of professional appraisal practice or later versions as established in regulations adopted by the Kansas real estate appraisal board, Kansas statutes and regulations, and the personal property appraisal guide promulgated by the director of property valuation pursuant to K.S.A. 75-5105a and amendments thereto; and

(2) include a determination of whether commercial and industrial machinery and equipment should be classified as real property or as personal property.



ATTORNEY GENERAL

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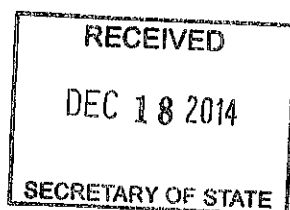
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(d) Any appraiser may be required to defend that appraiser's classification and valuation determinations pursuant to the property tax hearings and appeals processes prescribed by K.S.A. 79-1448, 79-1606, 79-1609, and 79-2005, and amendments thereto. (Authorized by K.S.A. 2014 Supp. 79-5b04; implementing K.S.A. 2014 Supp. 79-5b01; effective P- \_\_\_\_\_.)



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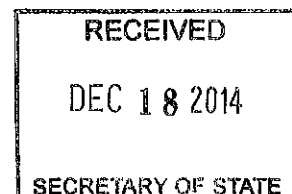
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## ECONOMIC IMPACT STATEMENT

This is a single economic impact statement for permanent regulation 93-9-1. This regulation is required by K.S.A. 2014 Supp. 79-5b04.

- I. BRIEF DESCRIPTION OF PROPOSED REGULATIONS AND THEIR INTENDED EFFECT: K.A.R. 93-9-1 sets forth the appraiser qualifications for appraisers to value and classify complex industrial properties. It requires such appraisers to be certified or licensed by the Kansas Real Estate Appraisal Board. It requires the appraisal report to comply with the 2014-2015 edition of the uniform standards of professional appraisal practice ("USPAP"), Kansas statutes and regulations and the personal property appraisal guide promulgated by the director of property valuation.
- II. WHETHER OR NOT THE PROPOSED REGULATIONS ARE MANDATED BY FEDERAL LAW AS A REQUIREMENT FOR PARTICIPATION IN OR IMPLEMENTING A FEDERALLY SUBSIDIZED OR ASSISTED PROGRAM: No.
- III. WHETHER THE PROPOSED REGULATIONS EXCEED THE REQUIREMENTS OF APPLICABLE FEDERAL LAW: N/A.
- IV. DESCRIPTION OF THE COST, THE PERSONS WHO WILL BEAR THE COST, AND THOSE WHO WILL BE AFFECTED BY THE PROPOSED REGULATIONS: The statute being implement (K.S.A. 2014 Supp. 79-5b01) requires the cost of appraising complex industrial property to be borne by the county wherein the property is located. The amount is undeterminable because the number of requests for appraisals is undeterminable. It is estimated that there are between 35 and 40 complex industrial properties in the state.
- V. A DESCRIPTION OF ANY LESS COSTLY OR LESS INTRUSIVE METHODS THAT WERE CONSIDERED BY THE STATE AGENCY FOR ACHIEVING THE STATED PURPOSE OF THE REGULATIONS AND THE REASONS THAT THOSE METHODS WERE REJECTED IN FAVOR OF THE PROPOSED REGULATIONS: Due to the complexity of the properties required to be valued and classified, the agency concluded that requiring such appraisers to be certified or licensed by the Kansas Real Estate Appraisal Board was necessary to assure a professional appraisal that complies with USPAP.



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VI. SUMMARY: These regulations will not impact the revenue of cities or school districts. As noted above, the statute being implemented will impact counties.

