

House Taxation Committee

March 19, 2021

Testimony of Brad Eldridge, real estate appraiser

Regarding SB-72

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Thank you Mr. Smith and members of the committee. I am submitting testimony against SB-72 as real estate appraiser and citizen of Lawrence, KS.

SB-72 seeks to remove mass appraisal designations from the *International Association of Assessing Officers* (IAAO) as eligibility criteria for county appraisers and move 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).

I offer you a unique perspective from a real estate appraiser who spent 11 years practicing under the jurisdiction of the KREAB and then 11 years under the jurisdiction of PVD. During my 22+ years in the profession, I have been active in real estate appraisal education and professional development.

During the first 11 years of my career, I was in private practice developing single property appraisals, mostly for lending purposes. I obtained my Certified General Appraiser license from KREAB in 2001. In 2008, I obtained the MAI designation from the Appraisal Institute. Both of these credentials are appropriate for single property appraisal and required by most lending institutions in the private practice arena.

I was the Education Chair from 2005-2007 for the Kansas City Chapter of the Appraisal Institute. I was responsible for planning education and professional development over a three-year period, which involved working with KREAB on the approval of coursework and workshop material to receive pre-license and continuing education credit for single property appraisers.

In 2009, I transitioned to the mass appraisal field working for the Douglas County Appraiser's Office in Lawrence, KS. I soon realized that the 20 classes I took in single property appraisal and my 11 years performing single property appraisal did not apply to mass appraisal.

I searched for mass appraisal coursework. I found IAAO was the only organization that specialized in mass appraisal and offered courses in Kansas. Once again, I emerged myself in appraisal coursework—this time using materials tailored to mass appraisal and property assessment for taxation.

I learned several things through IAAO coursework about mass appraisal that I did not learn in my previous 20 classes and 11 years in single property appraisal:

- How the property tax system works;
- The importance of effective tax rates in valuing commercial property;
- How to use statistics to develop and calibrate valuation models when valuing groups of properties;
- How to test accuracy of value estimates using sales ratio studies;
- How to test equity among value estimates when valuing groups of properties;
- 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.

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When I transitioned from single property appraisal to mass appraisal, I also discovered that I needed to learn how to use the Computer Assisted Mass Appraisal (CAMA) software that all county appraisers in Kansas use, as well as the Kansas regulations for mass appraisal. Thankfully, PVD had that coursework and provided me instruction on how to perform my job in compliance with state law and how to properly use the CAMA system. Who better to teach me the expectations than the folks who regulate me and maintain the computer system?

Without the education I received from IAAO and PVD, I would not know how to properly do my job at the county appraiser's office in Kansas.

For example, in IAAO Course 400, Assessment Administration, the education material focuses on how to manage an assessment office, how to navigate employee issues, and how to determine staffing needs to complete statute driven requirements.

I understand that the proponents of SB-72 claim that IAAO teaches appraisal methods that violate Kansas Law. This claim is simply untrue and is a fallacy that fumbles the interpretation of a paper written by IAAO's membership. That would be an opinion of an opinion paper, regarding opinions of value. An opinion of an opinion of opinions.

Similar to my years in single property appraisal, I have been involved with education and professional development at IAAO:

- Instructor since 2013;
- Education Committee, 2016, Chair, 2017-2018; and
- Professional Development Committee, 2019.

Never in any of my capacities referenced above has IAAO directed me to teach or promote appraisal methods that violate Kansas law. IAAO's education coursework, workshops, and code of ethics emphasize the importance of following the laws and regulations that govern appraisal in the assessment jurisdiction.

SB-72 represents a step backwards for the property tax system in Kansas. It seeks to remove an agency that promotes professionalism and excellence in property tax assessment and administration, and then puts an agency unfamiliar with these tasks in charge of its education.

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,

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