Kansas Administrative Regulations
Economic Impact Statement (EIS)

Kansas Department of Revenue  Taylor Murray  785-296-6093
Agency  Agency Contact  Contact Phone Number

K.A.R. 93-6-2, 93-6-3, and 93-6-5
K.A.R. Number(s)  ☒ Permanent  ☐ Temporary

Is/Are the proposed rule(s) and regulation(s) mandated by the federal government as a requirement for participating in or implementing a federally subsidized or assisted program?

☐ Yes  If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.

☒ No  If no, do the total annual implementation and compliance costs for the proposed rule(s) and regulation(s), calculated from the effective date of the rule(s) and regulation(s), exceed $1.0 million over any two-year period through June 30, 2024, or exceed $3.0 million over any two-year period on or after July 1, 2024 (as calculated in Section III, F)?

☐ Yes  If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration, the Attorney General, AND the Division of the Budget. The regulation(s) and the EIS will require Budget approval.

☒ No  If no, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.

Revised 05/03/2022
Section I

Brief description of the proposed rule(s) and regulation(s).

Mass appraisal is the process of valuing a universe of properties as of a given date using standard methodology, employing common data, and allowing for statistical testing. A registered mass appraiser (RMA) designation is one of two options, along with the certified general real property license of the Kansas Real Estate Appraisal Board (KREAB) for an appraiser to meet the professional requirements to be appointed as a Kansas county appraiser. The RMA designation was created in 1997 as an alternative training path for appraisers, with an emphasis on ad valorem appraisals performed by Kansas County Appraisers.

In 2021, the Kansas Legislature required that KREAB approve the standards for initial certification to become an RMA. Senate Substitute for House Bill 2104 (2021), Sec. 2. The Property Valuation Division (PVD) has consulted with KREAB to propose changes to valuation training requirements as outlined in new K.A.R. 93-6-2, and K.A.R. 93-6-3. The amended regulations remove historical requirements that curriculum and trainings must satisfy curriculum set out by the International Association of Assessing Officers (IAAO) standards. The regulations have been simplified, focusing on the course subjects that need to be completed instead of referencing IAAO titles. This change is consistent with practices adopted by other states. KREAB will continue to review and approve curriculum associated with real property valuation. KREAB has shown a preference to review valuation courses on a case by case basis.

In 2023, the Kansas Legislature modified K.S.A. 19-432, and authorized PVD to set the curriculum for RMA requirements not specifically associated with real property valuation. House Bill 2002 (2023) covers topics such as personal property valuation and State specific issues relating to administration of tax law, computer training, and other non-standard valuation methods for different property types.

Approximately 198 out of the 205 appraisers on the approved list, qualify to be appointed as a Kansas county appraiser, rely on the RMA certification to meet the professional requirements for appraisal licensing or designation. RMA appraisal standards are derived from the Uniform Standards of Professional Appraisal Practice (USPAP) as mandated by statute, K.S.A. 79-505. An RMA designated by the Kansas Department of Revenue must comply with USPAP.

K.A.R. 93-6-2 establishes education requirements for the designation of RMA. K.A.R. 93-6-3 establishes continuing education requirements to retain the RMA designation. K.S.A. 93-6-5 establishes the requirements for commercial and real estate case studies as a component for RMA designation. Other steps required for RMA eligibility, such as work experience and a comprehensive exam, were not affected by the 2021 and 2023 legislative amendments.

Section II

Statement by the agency if the rule(s) and regulation(s) exceed the requirements of applicable federal law, and a statement if the approach chosen to address the policy issue(s) is different from that utilized by agencies of contiguous states or the federal government. (If the approach is different or exceeds federal law, then include a statement of why the proposed Kansas rule and regulation is different.)

These regulations are not mandated by federal law, and therefore, the regulation does not exceed the requirements of federal law.
Section III

Agency analysis specifically addressing the following:

A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;

These amendments are required by the Legislature to incorporate the Kansas Real Estate Appraisal Board (KREAB) into the process for RMA curriculum development, specific to real property valuation using standard approaches. PVD is amending the regulations, K.A.R. 93-6-2 and K.A.R. 93-6-3, to simplify the topics and not tie valuation curriculum to IAAO curriculum. PVD believes RMA coursework promotes and preserves the public trust inherent in appraisal practice by observing the highest standards of professional ethics.

B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that would be affected by the proposed rule(s) and regulation(s) and on the state economy as a whole;

Initial licensure education and testing requirements involve cost, i.e., the cost of the prescribed courses, travel, lodging and time away from the appraiser’s regular duties. The cost is borne by the appraiser in some instances and by the employing county in other instances where the county elects to pay for the courses.

The amendment to K.A.R. 93-6-2 (designation of RMA) retains the number of required education hours of 200. PVD staff have also coordinated with the KREAB regarding what course offerings will be required in the future, once these regulations are approved, for RMA designation and RMA continuing education requirements. KREAB involvement will continue under K.S.A. 19-430, as amended by HB 2104 (2021) and HB 2002 (2023).

PVD is amending the regulation to use better descriptions of required courses. The effect of these statutory amendments is that IAAO standards are no longer the sole basis for valuation curriculum development. Both the past ISSO courses and the KREAB approved courses required/require compliance with USPAP standards.

The proposed amendment also contains a new subsection that grandfathers in some existing RMA candidates that have built up a significant amount of education course work under the IAAO programs if such candidates can complete all course work by June 30, 2024. The amendment to K.A.R. 93-6-3 includes provisions that credit current RMA with continuing education hours completed prior to July 1, 2023.

At the time of the last amendment to this regulation in 2013, the Department of Revenue estimated the cost of continuing education to range from $415 to $850 per year depending on courses selected. This estimate does not change because of this proposed amendment to the regulation. Private Citizens will not bear a direct cost for this training program, as explained above and in subsection F below. There are no additional costs to the Kansas Department of Revenue and PVD will continue to provide courses, except for the first three course subjects identified in subsection (b) of K.A.R. 93-6-2.
C. Businesses that would be directly affected by the proposed rule(s) and regulation(s);

County governments and their county appraisers will not be affected by this amendment. PVD believes that any effects from this change will have a nominal effect on current staff training budgets if there are provisions permitting credit for earlier curriculum classes being relied upon as set out in the proposed regulations.

D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;

The Legislature believed that by mandating coordination between the Property Valuation Division and KREAB to be beneficial. That process would be improved, and efficiencies achieved. This amendment is mandated by Senate Substitute HB 2104 (2021) (SB 72) and HB 2002 (2023). Because the effect on existing costs is expected to be nominal, the cost benefit is neutral if provision is made for students that are near to completing the old curriculum to be provided credit for such coursework.

E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;

Please see response to D.

F. An estimate of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, local governments, or members of the public. 

*Note: Do not account for any actual or estimated cost savings that may be realized.*

Costs to Affected Businesses – $0.00
Costs to Local Governmental Units – $0.00
Costs to Members of the Public – $0.00

**Total Annual Costs** – **$0.00** *(no change to historical costs incurred by counties)*

(sum of above amounts)

Give a detailed statement of the data and methodology used in estimating the above cost estimate.

There are no changes to the hours required to complete the initial RMA training, nor to the hours required for recertification of RMA.

☐ Yes ☒ No ☐ Not Applicable

If the total implementation and compliance costs exceed $1.0 million over any two-year period through June 30, 2024, or exceed $3.0 million over any two-year period on or after July 1, 2024, and prior to the submission or resubmission of the proposed rule(s) and regulation(s), did the agency hold a public hearing to find that the estimated costs
have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.

N/A

Provide an estimate to any changes in aggregate state revenues and expenditures for the implementation of the proposed rule(s) and regulation(s), for both the current fiscal year and next fiscal year.

N/A

Provide an estimate of any immediate or long-range economic impact of the proposed rule(s) and regulation(s) on any individual(s), small employers, and the general public. If no dollar estimate can be given for any individual(s), small employers, and the general public, give specific reasons why no estimate is possible.

PVD anticipates there will be no immediate or long-term economic impact springing from the proposed rules.

G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.

Property Valuation Division does not believe the change in curriculum/module types will have measurable effect on RMA valuation estimates.

H. Describe how the agency consulted and solicited information from businesses, associations, local governments, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s).

PVD has coordinated with the KREAB and the Kansas County Appraisers Association (KCAA) regarding changes associated with the 2021 amendments. PVD has coordinated with KCAA regarding new course work modules and descriptions associated with the 2023 amendments, that are not specific to real property valuation approaches.

Section IV

Does the Economic Impact Statement involve any environmental rule(s) and regulation(s)?

☐ Yes      If yes, complete the remainder of Section IV.
☒ No       If no, skip the remainder of Section IV.
A. Describe the capital and annual costs of compliance with the proposed rule(s) and regulation(s), and the persons who would bear the costs.
   N/A

B. Describe the initial and annual costs of implementing and enforcing the proposed rule(s) and regulation(s), including the estimated amount of paperwork, and the state agencies, other governmental agencies, or other persons who would bear the costs.
   N/A

C. Describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, as well as the persons who would bear the costs and would be affected by the failure to adopt the rule(s) and regulation(s).
   N/A

D. Provide a detailed statement of the data and methodology used in estimating the costs used.
   N/A