

Other Personal Property Not Elsewhere Classified

Personal property that can not be classified into any of the five “specific” constitutional subclasses of personal property is classified as **Other Personal Property Not Elsewhere Classified**. The Kansas Constitution classifies personal property that qualifies as **Other Personal Property Not Elsewhere Classified** (“Other”) into Class 2, Subclass 6 (2.06). “Other” personal property is listed on a *tangible personal property assessment form* (rendition) pursuant to K.S.A. 79-300 series. Property in the “Other” subclass of personal property is typically listed on *schedule 6* of the rendition.

➤ Classifying “Other” Personal Property

Property that may qualify for placement in the **Other Personal Property Not Elsewhere Classified** (“Other”) subclass consists of:

- ◆ **Aircraft** including airplanes, helicopters, hot air balloons, ultra lights, etc.
- ◆ **Off Road Vehicles** including golf carts, snowmobiles, off-road motorcycles, mopeds, all terrain vehicles (ATVs), etc.
- ◆ **Watercraft** including inboard and outboard boats, boat motors, boat trailers, sailboats, houseboats, pontoons, canoes, jet skis, etc.
- ◆ **Truck Campers and Travel Trailers** that do not qualify as “recreational vehicles” [as defined in K.S.A. 79-5118] and are not “RV” titled.
- ◆ **Trailers (non-commercial)** including snowmobile trailers, motorcycle trailers, utility trailers, horse trailers, etc. that are used by individuals for personal use.
- ◆ **Truck Beds (non-commercial)** on “chassis cab” motor vehicles that are used by individuals for personal use [regardless of how the vehicle is registered].
- ◆ **Machinery & Equipment** with a retail cost when new that is greater than \$250 per item and that is no longer being used for commercial purposes.
- ◆ **Materials & Supplies** with a retail cost when new that is greater than \$250 per item.

Auth: Ks. Constitution Art. 11, Sec. 1; K.S.A. 79-1439(2)

➤ Valuation Guidelines for “Other” Personal Property

Property classified under the **Other Personal Property Not Elsewhere Classified** (“Other”) subclass of personal property is appraised at its fair market value as of January 1 and it is assessed at a rate of 30%. Personal property in the “Other” classification is not prorated onto or off of the tax roll.

When establishing values for personal property in the “Other” classification, the county appraiser must follow the procedures and guidelines outlined in the *Personal Property Valuation Guide* prescribed by the Division of Property Valuation (PVD). *However*, K.S.A. 79-1456 allows the county appraiser to deviate from the guide on an individual piece of property for just cause and in a manner consistent with achieving market value.

This section of the *Personal Property Valuation Guide* contains data used to appraise certain property in the “Other” subclass, such as golf carts and hot air balloons. In addition to providing valuation data, nationally recognized publications are prescribed for valuing property in the “Other” subclass such as aircraft, watercraft, off road vehicles, and non “RV” titled travel trailers.

The *Personal Property Valuation Guide* does not provide data for appraising every type of property in the “Other” classification. County appraisers must develop their own values for certain property in the “Other” classification, such as:

- ◆ non-commercial truck beds on “chassis cab” motor vehicles;
- ◆ non-commercial trailers; and
- ◆ machinery and equipment that is no longer being used for commercial purposes.

Appraisers can create their valuation guidelines based on known sales, replacement costs, historical costs, and other factors. The appraiser should always document the results of the research and logic used to arrive at the estimate(s) of value found in the county’s pricing guides and schedules.

Auth: K.S.A. 79-1412a Sixth; PVD Directive 92-005; K.S.A.79-1456

➤ Aircraft

Aircraft that has not been granted an exemption by the Kansas Board of Tax Appeals is taxable. Taxable aircraft are typically classified under the “Other” subclass of personal property and as such are appraised at their market value as of January 1.

Aircraft may be exempt from property taxation if it is:

1. **Business aircraft** [K.S.A. 79-201k] This exemption is for aircraft that is used exclusively to earn income for the owner in the conduct of the owner's business or industry; **or**
2. **Antique aircraft** [K.S.A. 79-220] This exemption is for aircraft 30 years or older as determined by the date of manufacture that is used exclusively for recreational or display purposes.

Valuing aircraft:

The Property Valuation Division prescribes the *Vref Aircraft Value Reference (Vref)*, 2000 (volume 4), for valuing airplanes at their market value. Counties can contact the Personal Property Section of PVD for helicopter values. The *Valuation of Kit or Assembled Vehicle Worksheet* found in the motor vehicle section of this guide and/or other appraisal techniques may be used to value aircraft that is not listed in the *Vref* guide.

To use the *Vref* guide:

[Step 1] - Look up the make and model for the aircraft in question

[Step 2] - locate the *row* for the age and model of the aircraft **and** the “Whlsl” *column*

[Step 3] - the value used is located where the *row* and the *column* meet

The “Whlsl” value is the *wholesale* value of the airplane with half the life remaining on the engine before overhaul. This wholesale value is presented in thousands of dollars, for example 26.7K means \$26,700.

Once the wholesale value is determined, the appraiser can make adjustments for engine time. The owner of the aircraft should provide documentation of the aircraft’s engine time from the engine log that is kept on each engine.

Engine Time: Some of the biggest expenses in aircraft operation are engine-related. The *Vref* guide bases its valuation, in part, upon the presumption that the aircraft’s engine is midway through its time between overhauls. The hours “since major overhaul” (SMOH) figure shown in the *Vref* guide represents the aircraft’s mid-life engine hours. The SMOH figure is located in the “header” for each model.

As a general rule, the adjustment from the "Whlsl" value for each engine should be limited to half the "Average Overhaul" dollar amount listed under "Engine" for the subject model.

Adjusting the "Whlsl" value for engine time:

[Step 1] - calculate the *difference* between the actual engine hours and the SMOH hours listed in the header for the subject aircraft.

[Step 2] - multiply the *difference* by the Eng Rate amount shown in the "WS" column under Add-ons for the subject aircraft.

[Step 3] - The result is:

added to the "Whlsl" value if actual engine hours are *less* than the SMOH hours;

or

subtracted from the "Whlsl" value if the actual engine hours are *more* than the SMOH hours.

EXAMPLE

AIRCRAFT VALUATION WORKSHEET

Tax Year: 2001

Model Year: 1973

Make: Cessna

Model: 340

Actual Engine Hours: Engine 1: 200
 Engine 2: 1100

Vref Book page #: 87 (2000 Volume 4)

Calculation Process

Vref book SMOH	Actual Hours Per Engine	+/- Hour Difference	Vref ENG RATE W.S. Value	+/- Adjustment Engine Time
(1) <u>595</u> -	<u>200</u> =	<u>395</u> x	<u>\$15.82</u> =	<u>\$6,249</u>
(2) <u>595</u> -	<u>1100</u> =	<u>-505</u> x	<u>\$15.82</u> =	<u>-\$7,989</u>

Adjustment +/- For Engine 1	Adjustment +/- For Engine 2	Total Adjustment +/- for Engine Hours
<u>\$6,249</u>	<u>-\$7,989</u>	= <u>- \$1,740</u>

Vref "Whlsl" Value	Total Adjustment +/- for Engine Hours	Final Adjusted Market Value
<u>\$169,700</u>	<u>- \$ 1,740</u>	= <u>\$167,960</u>

AIRCRAFT VALUATION WORKSHEET

Tax Year: _____ County: _____ Date: _____

Data Needed For Valuation of Aircraft

Model Year: _____

Make: _____

Model: _____

Actual Engine Hours: Engine (1) _____

Engine (2) _____

Vref Book page #: _____

Calculation Process

Vref SMOH	Actual Hours Per Engine	+/- Hour Difference	Vref ENG RATE W.S. Value	+/- Adjustment Engine Time
(1) _____	- _____	= _____	x _____	= _____
(2) _____	- _____	= _____	x _____	= _____

Adjustment +/- For Engine 1	Adjustment +/- For Engine 2	Total Adjustment +/- For Engine Hours
_____	+ _____	= _____

Vref "Whlsl" Value	Total Adjustment +/- For Engine Hours	Final Adjusted Market Value
_____	_____	= _____

➤ Hot Air Balloons

Hot air balloons are typically classified under the “Other” subclass of personal property and they are appraised at their market value as of January 1.

Valuing hot air balloons:

[Step 1] - Find the *replacement cost new* that best fits the balloon being valued.

- ◆ "Less expensive" brand names include Adams and Galaxy.
- ◆ "More expensive" brand names include Aerostar, Balloon Works, and Cameron.

The *replacement cost new* listed below includes the following: Envelope, skirt, deflation panel, patented vent, single burner, gondola, mounted burner controls, aluminum frame gondola with fiberglass liner, instrument panel with altimeter, standard rate of climb meter, pyrometer, and fuel tanks.

Size Designation	Approx. Size in Cubic Ft.	Hot Air Balloon <i>Replacement Cost New</i>		
		Less Expensive	Average	More Expensive
5	42,000	\$9,500	\$10,500	\$11,700
6	56,000	9,500	10,600	11,800
7	65,000	10,600	11,800	13,100
7	77,000	11,200	12,400	13,800
8	90,000	12,900	14,300	15,900
8	105,000	15,000	16,700	18,600
9	120,000	17,300	19,200	21,300
9	140,000	19,100	21,200	23,600
10	160,000	19,900	22,100	24,600
10	180,000	21,100	23,400	26,000
10	210,000	21,800	24,200	26,900
11	250,000	24,600	27,300	30,300

[Step 2] - Add value for “extras”:

Double burner	\$980
Extra fuel tank	\$1040

[Step 3] - Multiply the total [*replacement cost new* plus “extras”] by the percent good factor for the air time hours the balloon has accumulated as of January 1[*see scale below*]. The county will have to obtain the air time hours from the owner of the aircraft.

Percent Good Scale:

Air Time Hours	25 Hours	50 Hours	100 Hours	200 Hours	325 Hours
Percent Good	70%	56%	46%	25%	12%

Example: Galaxy RX7, size 7 (77,000 cubic ft. envelope), with 128 air time hours.
 11,200 (RCN) X 46% (air time) = \$5,152 market value.

➤ Golf Carts

Golf carts (or golf cars) are typically classified under the “Other” subclass of personal property and they are appraised at their market value as of January 1.

Valuing golf carts:

[Step 1] - Find the *replacement cost new* that best fits to golf cart being valued.

<u>Description:</u>	<u>Golf Cart Replacement Cost New:</u>	
	<u>ELECTRIC</u>	<u>GAS</u>
3-WHEEL	\$2,700	\$2,835
4-WHEEL	\$2,750	\$2,915

[Step 2] - Add value for “extras”:

Sun Top	\$110
Windshield	\$90

[Step 3] - Multiply the total [*replacement cost new* plus “extras”] by the percent good factor for the age of the golf cart as of January 1[*see scale below*].

Percent Good Scale:

YEARS OLD	1	2	3	4	5	6	7	8	9	10	11
% GOOD	81%	61%	36%	30%	26%	21%	18%	15%	13%	12%	10%

Example: 1997 4-wheel electric cart with suntop

$$2,750 \text{ (4-whl/elec)} + \$110 \text{ (sun top)} = \$2,860 \text{ (RCN)} \times .30 \text{ (4 yrs old)} = \$858$$

➤ **ATVs, Snowmobiles, Off Road Motorcycles, Motorized Bicycles (Mopeds)**

Off road vehicles not designed to be operated on public roads, *or* that fulfill the definition of “motorized bicycle” are typically classified under the “Other” subclass of personal property and they are appraised at their market value as of January 1.

NOTE: KSA 8-126(aa) defines a “motorized bicycle” as having two or three tandem wheels which may be propelled by either human power or helper power, or by both, **and** which has:

- a cylinder capacity of not more than *130 cubic centimeters;
- an automatic transmission; **and**
- the capability of a maximum design speed of no more than 30 miles per hour.

Valuing off road vehicles:

The Property Valuation Division prescribes the **2001** edition (January to April) of the *NADA Motorcycle/ATV/Personal Watercraft Appraisal Guide (NADA)* for appraising off road vehicles at market value.

- ◆ **2001 Models** - Use 85% of the "Sugg List" value from the *NADA* guide *or* if none is listed use the 85% of the "Sugg List" value for a similar **2000** model.
- ◆ **2000 and Older Models** - Use the "Clean Trade-In W/S" value from the *NADA* guide.

* The 2000 Legislature changed the definition for “motorized bicycles” effective July 1, 2000. This change increased the cubic centimeter capacity from 50cc to 130cc.

The Wizzer Motorbike Company located in Anaheim, California manufactures a bicycle with a small engine that meets the statutory requirements for registering as a motorized bicycle. Wizzer Motorbikes are not listed in any of the publications prescribed to value personal property. County appraisers can develop values for Wizzer Motorbikes by contacting the nearest dealership that sells Wizzer Motorbikes for valuation information. The values used must reflect the local market and be documented. A list of Kansas dealers can be found on the Wizzer Motorbike Company website at www.wizzermotorbike.com or the company can be contacted at (877) 944-9937.

➤ Watercraft

Watercraft includes boats, boat trailers, outboard motors and personal watercraft. Watercraft are typically classified under the “Other” subclass of personal property and are appraised at market value as of January 1.

Valuing watercraft:

The Division of Property Valuation prescribes the 2001 edition (Volumes I and II) of the *ABOS Marine Blue Books (ABOS)* for valuing watercraft at market value. The 2001 *ABOS Assessors CD Rom* [electronic version of *ABOS* guides (Vols. I & II)] is also available through Intertec Publishing. *Unless otherwise noted*, outboard motors, trailers and accessories are not included in the *ABOS* boat value. Package boats that include motors and/or trailers are indicated with the model description *or* with a note following the model year listing. Stern drive and inboard boats always include the engine(s) as standard.

NOTE: The “Avg Trd-In W/S” value from 2001 edition (January to April) of the *NADA Motorcycle/ATV/Personal Watercraft Appraisal Guide (NADA)* may be used to value personal watercraft if its values better reflect the local market.

- ◆ **2001 Models** - Use the "Estimated Avg. Trade-In Value Less Repairs - High" for a comparable 2000 model from the *ABOS* guide (Vol. I) to value boats, outboard motors, boat trailers and personal watercraft. Trend the value up when appropriate; use appraisal judgement.
- ◆ **2000 to 1990 Models** - Use the "Estimated Avg. Trade-In Value Less Repairs - High" value from the *ABOS* guide (Vol. I) to value boats, outboard motors, boat trailers and personal watercraft.
- ◆ **1989 and older Models** - Use the “Estimated Avg. Value Less Repairs - High” value from the *ABOS* guide (Vol. II) to value boats and outboard motors.

NOTE: Sea-Doo/Bombardier manufactures a small “sport boat” that has jet propulsion engines similar to those in jet skis. These boats hold one to five people and vary in length from 10 to 18 feet. The value for this type of “sport boat” is found in the Personal Watercraft section of the *ABOS* guide (Vol. I).

➤ **Truck Campers and Travel Trailers Without “RV” Titles**

Travel/camping trailers that do not meet the statutory definition of recreational vehicle [K.S.A. 79-5118] *and* that are not "RV" titled, are typically classified under the “Other” subclass of personal property and they are appraised at their market value as of January 1. Truck campers are also typically classified under the “Other” subclass; pickup shells/toppers are exempt from personal property taxation pursuant to K.S.A. 79-201c. See the “Motor Vehicle” section of this guide for information on recreational vehicles that qualify for the "RV" title.

Valuing truck campers and travel/camping trailers [that are not "RV" titled]:

The Property Valuation Division prescribes the **2001** edition (January – April) of the *NADA Recreation Vehicle Appraisal Guide (NADA)* for valuing campers, slide-ins, and travel/camping trailers [that are not "RV" titled] at market value.

- ◆ **2001 Models** - Use the “Sugg. List” value from the January – April 2001 edition of the *NADA* guide multiplied by 85% to *estimate* the market value. If none is listed, contact the dealer for the *base retail price* of the vehicle and multiply it by 85% to *estimate* the market value.

- ◆ **2000 to 1976 Models** - Use the "Used W/S" value from the January - April 2001 edition of the *NADA* guide.

- ◆ **1975 and older Models** – Use values established by a study of the local market. The procedure used must reflect the local market and be documented.

➤ Trailers (Non-commercial)

Trailers purchased for *personal use* by an individual are classified under the “Other” subclass of personal property and they are appraised at their market value as of January 1. Personal property in the “Other” classification should be listed on *schedule 6* of the rendition. Trailers *used for business related purposes* are classified under the **Commercial/Industrial Machinery and Equipment** (“Commercial”) subclass of personal property and they are appraised in the same manner as other commercial and industrial machinery and equipment. Personal property in the “Commercial” classification should be listed on *schedule 5* for the rendition. See the “Commercial/Industrial Machinery and Equipment” section of this guide for information on valuing trailers used for commercial purposes.

Valuing “Other” trailers:

County appraisers must develop values for personal use trailers that fall under the “Other” subclass of personal property. Appraisers can develop their valuation guidelines based on known sales, replacement costs, historical costs, and other factors. The procedure used must reflect the local market and be documented.

NOTE: The *Commercial Trailer Blue Book* and the *Horse, Stock, Utility Trailer Blue Book* available for purchase through National Market Reports *may* provide a consistent source for obtaining market values for *certain* trailers classified under the “Other” subclass. Trailers included in the *Commercial Trailer Blue Book* are: drop frame van; electronic van; dry freight van; refrigerated van; flat bed; lowboy equipment; stainless steel tank; aluminum tank; pneumatic bulk tank; dump; grain; livestock. Trailers included in the *Horse, Stock, Utility Trailer Blue Book* are: horse; livestock; cargo; flatbed; utility; office; storage.

➤ Truck Beds & Bodies (Non-commercial)

Truck beds set behind the cab on the truck *chassis* are not considered part of the truck. For this reason, they are valued and classified separately from the truck.

Bodies that enclose the entire *chassis*, including the motor and driving compartment, of an “incomplete”, “stripped” or “chassis only” vehicle are considered part of the motor vehicle. For this reason, they are valued and classified with the truck. See the “Motor Vehicle” section of this guide for information on valuing “incomplete”, “stripped” or “chassis only” vehicles.

Beds on “*chassis cab*” motor vehicles purchased for *personal use* by an individual are classified under the “Other” subclass of personal property and they are appraised at their market value as of January 1. Personal property in the “Other” classification should be listed on *schedule 6* of the rendition. Beds on “*chassis cab*” motor vehicles *used for commercial purposes* are classified under the **Commercial/Industrial Machinery and Equipment (“Commercial”) subclass of personal property and they are appraised the same as other commercial and industrial machinery and equipment. Personal property in the “Commercial” classification should be listed on *schedule 5* of the rendition. See the “Commercial/Industrial Machinery and Equipment” section of this guide for information on valuing commercial use beds on “*chassis cab*” motor vehicles.**

Valuing “Other” truck beds:

County appraisers must develop values for personal use truck beds that fall under the “Other” subclass of personal property. Appraisers can develop their valuation guidelines based on known sales, replacement costs, historical costs, and other factors. The procedure used must reflect the local market and be documented.

NOTE: The *Truck Body Blue Book*, available for purchase through National Market Reports, may provide a consistent source for obtaining market values for *certain* beds and bodies that are classified under the “Other” subclass. Beds and Bodies included in the *Truck Body Blue Book* are: truck cargo van; refrigerated van; heavy duty rack; concrete mixers; flat bed; steel dump; aluminum dump; snow plows; steel utility; milk tanks; petroleum truck tanks; lifts/buckets; telescopic cranes; waste packers.

➤ **Commercial Machinery & Equipment that is no longer “being used”**

Machinery and equipment [previously classified as “Commercial”] with a “retail cost when new” that is greater than \$250 per item and that is no longer “being used” is classified under the “Other” subclass of personal property. Personal property classified under “Other” is appraised at its market value as of January 1. See the **\$250 Exemption for Commercial Equipment** on page 86 for guidelines on determining when an “item” may be considered exempt under the \$250 exemption and for guidelines on what qualifies as an “item” for purposes of the exemption.

Commercial personal property should be considered as “being used” until its condition or other objective evidence clearly indicates that the property is “no longer being used”. This will prevent property from being considered as being “used” for one tax year, “not being used” for a subsequent tax year, and then “being used” again at some future point in time.

To determine if machinery and equipment is “being used” or if it is no longer “being used” for commercial and industrial purposes, the county appraiser may want to consider the following:

There is a good possibility that an asset should still be considered as no longer “being used” for commercial and industrial purposes if:

- ◆ the economic life of the asset is over;
- ◆ the item has been replaced;
- ◆ the item is being held for parts and some parts have already been removed;
- ◆ the item appears to no longer be in use or it is unusable;
- ◆ the item appears to have had no maintenance;
- ◆ it would cost more to remove the item than to leave it in place.

There is a good possibility that an asset should still be considered as “being used” for commercial and industrial purposes if:

- ◆ the item is being held for back-up or for future use in its present form in case business demands change; or
- ◆ a service agreement is currently in effect for the property.

Valuing machinery and equipment that is no longer “being used”:

County appraisers must develop values for commercial and industrial machinery and equipment, that is no longer “being used”. Appraisers can develop their valuation guidelines based on known sales, replacement costs, historical costs, and other factors. The procedure used must reflect the local market and be documented.

Auth: K.S.A. 79-1439c; A. G. Opinion 94-52

➤ **Supplies and Spare Parts**

Commercial and industrial supplies or spare parts [with a retail cost when new that is greater than \$250 per “*item*”] are classified under the “Other” personal property subclass and as such are valued at their market value on January 1. See the **\$250 Exemption for Commercial Equipment** below for guidelines on determining when an “item” may be considered exempt under the \$250 exemption and for guidelines on what qualifies as an “item” for purposes of the exemption.

Valuing supplies and spare parts:

County appraisers must develop values for commercial and industrial materials and supplies or spare parts. Appraisers can develop their valuation guidelines based on known sales, replacement costs, historical costs, and other factors. The procedure used must reflect the local market and be documented.

➤ **\$250 Exemption for Commercial Equipment:**

Commercial and industrial machinery and equipment [including machinery and equipment that is “no longer being used” for commercial and industrial purposes and supplies or spare parts] with a “retail cost when new” (RCWN) of \$250 or less per “*item*” is exempt from personal property taxation. The “retail cost when new” must be established in order to determine whether the “*item*” qualifies for the exemption. See the “Commercial/Industrial Machinery and Equipment” section on page 54 for information on determining the “retail cost when new” for commercial and industrial machinery and equipment.

For purposes of the \$250 exemption an “item”:

- ◆ functions independently without direct physical attachment to another part of personal property used in the conduct of an owner’s business;
- ◆ is generally going to be a single line item as it is reported on a rendition. Exceptions to this general rule are:
 1. if the line item represents a group of like goods that can be used independently and they have the same or similar cost, the line item is actually several “*items*”. The RCWN of each “*item*” may qualify for the exemption.
 2. if the line item represents a good that must be used in conjunction with other goods in order to serve its purpose, the line item represents only part of an “*item*”. The *total* RCWN of all components must qualify for the exemption.

3. in that an “*item*” is the smallest quantity that may be used independently, one pen, one sheet of paper or one rubber band represents a material and supply “*item*”. The RCWN of each “*item*” that can be independently used may qualify for the exemption. Materials and supplies or spare parts are classified under the “Other” subclass of personal property. Personal property in the “Other” classification should be listed on *schedule 6* of the rendition. **NOTE:** A spare part with a cost RCWN of \$250 or less qualifies for exemption. However, once the spare part is affixed to machinery and equipment, it becomes part of an “*item*” of machinery and equipment, and no longer qualifies for exemption as an individual “*item*”.

The following is a list of example "items" to use as an additional guideline:

- ◆ an alarm system
- ◆ a kitchen pan with lid
- ◆ a phone system
- ◆ a chair
- ◆ shelf (one free-standing shelf unit; as high/wide as used by the entity)
- ◆ a computer system (includes monitor, keyboard, tape drives, mouse, printer, etc.)
- ◆ kitchen utensil (a fork, a spoon, a knife, etc.)
- ◆ window treatment (all curtains/blinds for one window)
- ◆ a bed (includes mattress, box springs, frame and headboard)

NOTE: Taxpayers are not required to list any “*item*” of commercial/industrial machinery and equipment; materials and supplies; spare parts with a “retail cost when new” of \$250 or less per “*item*”. *However*, taxpayers that mistakenly consider their property exempt may be subject to two years back taxes and penalties if the county appraiser determines the property does not qualify for the exemption.

Auth: K.S.A. 79-201w; PVD Directive 95-030