

# THE PROPERTY TAX APPEALS PROCESS IN KANSAS

## 1. Why do county appraisers appraise property?

Each year, the cost of local services is spread across the value of taxable property. (Local budgets ÷ assessed value of taxable property = mill levy). The statewide school mill levy is 20 mills (\$20 for every \$1000 assessed value). County appraisers are responsible for uniformly and accurately valuing all property each year. That way, all citizens fairly share in supporting the cost of local services. Local services include police and fire protection, roads, parks, public health services and schools.

## 2. How is property valued for tax purposes?

All property is valued annually on January 1. Most property is valued based on its fair market value. Exceptions are land devoted to agricultural use valued based on its income or productivity; some commercial and industrial machinery and equipment valued based on a formula set forth in Kansas laws. For more information, contact your county appraiser or the Kansas Division of Property Valuation at (785) 296-2365.

## 3. What is fair market value and how is it determined?

Fair market value is the amount an informed buyer is willing to pay, and an informed seller is willing to take for property in an open market without undue influences.

The three approaches to value are the sales, the cost, and the income approach. The county appraiser considers all three when determining value.

### *Sales Approach*

The county appraiser reviews similar properties that have sold, compares them to your property and may make adjustments for differing characteristics. This approach is typically applied to residential property in an area with a substantial number of sales.

### *Cost Approach*

In the cost approach, the county determines replacement cost new of the property less depreciation. This approach is used when property is new or unique, or with few sales in the area.

### *Income Approach*

In the income approach, the value of the property is estimated using the income the property is expected to produce in the future. It is used to value commercial property and apartments when sufficient market rent information is available.

### ***Documentation of Value***

County appraisers can provide documentation showing how property was valued. For example, the comparable sales sheet shows similar properties that have sold, adjustments, and the estimated value of your property. The inventory contents sheet (“ICS”) shows the data collected on your property (includes measurements, rooms, condition, date of construction, etc.).

#### **4. Should I appeal the value of my property?**

If you believe that the county’s value does not reflect the fair market value of your property on January 1, you should appeal. The appeals process is an opportunity to review a property in more detail. We all want values to be accurate so we have a fair basis for sharing the cost of local services.

You are welcome to request information about how your property was valued from the county appraiser’s office in order to determine whether you should appeal.

#### **5. How do I appeal?**

### ***Appealing Your Notice of Value***

The first opportunity you have to appeal is when you receive the written notice of your property’s value in the Spring. To appeal, contact your county appraiser within 30 days from the date the notice was mailed.

**Once you start the appeal process, be sure to pursue it until you are satisfied. If you abandon your appeal, you can not “pay under protest” later for the same property and tax year.**

***Informal Meeting:*** The appeal process begins with an informal meeting with the county appraiser. At the informal meeting, the county appraiser must provide you with documentation supporting the valuation of your property. This is also your opportunity to explain why you believe the county’s value is incorrect.

***Small Claims Division:*** If you decide to appeal the informal meeting results, you ***must*** appeal to the Small Claims Division of the Court of Tax Appeals before proceeding to the Regular Division of the Court of Tax Appeals (COTA) if your property is a single-family residential property. You ***may*** appeal to the Small Claims Division if (a) the property is a residential property other than a single-family residence; or (b) the property has a value of less than \$2 million and is not agricultural land.

To appeal, file the proper form with COTA within 30 days from the date the county mailed your notice of informal meeting results. *The appeal form should be part of the notice. Contact your county clerk or appraiser for the appeal form if necessary. The forms are also available on COTA's website at [www.kansas.gov/cota/](http://www.kansas.gov/cota/)*

**Court of Tax Appeals (COTA)**: If you decide to appeal a Small Claims decision, you may appeal to COTA. You may also appeal your informal hearing results directly to COTA, if your property is not a single-family residential property.

To appeal, file the proper form with COTA within 30 days from the date you were mailed notice of (a) the Small Claims Division decision or (b) the county appraiser's informal meeting results. *Again, the appeal form should be part of the notice. Contact your county clerk or appraiser for the appeal form if necessary. The forms are also available on COTA's website at [www.kansas.gov/cota/](http://www.kansas.gov/cota/)*

### *Appealing by Paying Under Protest*

The second opportunity you have to appeal is when you receive your tax statement (usually in November). If you did not appeal the notice of your property's value in the Spring, you may later pay under protest. This is done by filing a payment under protest form with the county treasurer when you pay your taxes. Whether you pay half or all of your tax, you must file by **December 20**. If your taxes are paid by an escrow or tax service agent **in whole or in an amount equal to at least ½ of the amount due** on or before December 20, you have until January 31 of the next year to file.

**Informal Meeting**: The first step in the appeals process is an informal meeting with the county appraiser. At the informal meeting, the county appraiser must provide you with documentation supporting the valuation of your property. It is also your opportunity to explain why you believe the county's value is incorrect.

**Small Claims Division**: If you decide to appeal the informal meeting results, you **must** appeal to the Small Claims Division of COTA before proceeding to the Regular Division of the Court of Tax Appeals (COTA) if your property is a single-family residential property. You **may** appeal to the Small Claims Division if (a) the property is a residential property other than a single-family residence; or (b) the property has a value below \$2 million and is not agricultural land.

To appeal, file the proper form with COTA within 30 days from the date the county mailed your notice of informal meeting results. *The appeal form should be part of the notice. Contact your county treasurer or appraiser for the appeal form if necessary. The forms are also available on COTA's website at [www.kansas.gov/cota/](http://www.kansas.gov/cota/)*

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## **6. What are the “Burdens of Proof” on Appeal?**

**Small Claims Division**: The county must show that its value is correct.

**Court of Tax Appeals**: The county must show that the value of residential or commercial property is correct. However, if commercial real property is leased, the owner must provide income/expense information (up to three years) or the county's value is presumed to be correct.

**Increases in Value**: If real property increases in value from the prior year, the county must (1) review the record of the property's last physical inspection and (2) have documentation supporting the increase. If the value increases following a year when the value was reduced by appeal, then the county appraiser must also show *substantial and compelling reasons* for increasing the value.

Don't assume you will win your appeal just because the county must support its value. Be ready to show why your value is more accurate than the county's. See the “Preparing for a Property Valuation Appeal” brochure for more information.