

# Appeals

## A Guide to the Property Tax Appeals Process in Kansas

### **Why do county appraisers appraise property?**

In Kansas, the cost of local services is spread across the value of taxable property. County appraisers are responsible for uniformly and accurately valuing all property each year. That way, we have a fair, up-to-date basis for sharing the annual cost of local services. Local services include police and fire protection, roads, parks, public health services and schools.

### **How is property valued for tax purposes?**

All property is valued every January 1 for property tax purposes in order to promote uniformity and accuracy. Most property is valued based upon its fair market value. That 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. There are a few exceptions. Land devoted to agricultural use is valued based upon the income or productivity of the land. Commercial and industrial machinery and equipment is valued based upon a formula set forth in the Kansas Constitution. For more information about how these special properties are valued, contact your county appraiser or the Kansas Division of Property Valuation at (785) 296-2365.

### **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. There are three basic approaches to value: (1) the sales (2) the cost and (3) the income approach. The county appraiser considers all three approaches to value in order to determine the market value of the subject.

1. **Sales Approach:** In the 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 good number of sales.
2. **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 there are few sales in the area.
3. **Income Approach:** In the income approach, the value of the property is estimated based upon the income the property is expected to produce. It is used to value commercial property when sufficient market rent information is available.
4. **Documentation of Value:** Your county appraiser can provide you with documentation showing how your 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. For example, its measurements, condition, date of construction.

## **Should I Appeal the Value of my Property?**

If you believe that the value assigned by the county does not reflect the fair market value of your property on January 1, then you should appeal. The appeals process is an opportunity to review a property in depth. We all want values to be accurate, so that 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.

## **How do I Appeal?**

### Appealing the Notice of Value

The first opportunity you have to appeal is when you receive the notice of your property's value in the spring (generally in March). You can appeal your notice by contacting the county appraiser within 30 days from the date notice was mailed.

***Once you start this appeal, be sure to pursue it to your satisfaction. If you abandon or drop your appeal, you cannot appeal later for the same property and tax year.***

1. **Informal Meeting:** The appeal process begins with an informal meeting with the County Appraiser's Office. At the informal meeting, the County Appraiser's Office must provide you with documentation supporting the value. It is also your opportunity to explain why you believe the county's value is not correct.
2. **Small Claims Division:** If you are not satisfied with the results of the informal meeting, you can appeal to the Board's small claims division if the property is a residential property, or has a value below \$2 million and is not agricultural land. Appeal by filing the proper form (available from the county) with the Board of Tax Appeals within 30 days.
3. **Court of Tax Appeals:** Instead of appealing to small claims, you can appeal to the Kansas Court of Tax Appeals by filing the proper form with the Board within 30 days. If you are not satisfied with the decision made by the small claims division, you may appeal to the Board of Tax Appeals by filing the proper form (available from the county) with the Board within 30 days.

### Appealing by Paying Under Protest

The second opportunity you have to appeal is when you receive your tax statement (generally in November). ***If you did not appeal the notice of your property's value***, then you may later pay under protest. This is done by literally filing a payment under protest form with the county treasurer when you make your payment. If a tax escrow agent makes your tax payment,

you must file the form no later than January 31.

1. **Informal Meeting:** Again, the first step in the appeals process is an informal meeting with the County Appraiser's Office. At the informal meeting, the County Appraiser's Office must provide you with documentation supporting the value. It is also your opportunity to explain why you believe the county's value is not correct.
2. **Small Claims Division:** If you are not satisfied with the results of the informal meeting, you may appeal to the Board's new small claims division if the property is a residential property, or has a value below \$2 million and is not agricultural land. Appeal by filing the proper form (available from the county) with the Board of Tax Appeals within 30 days.
3. **Court of Tax Appeals:** Instead, you may go directly to the Court of Tax Appeals by filing the proper form (available from the county) with the Court within 30 days. If you are not satisfied with the small claims division's decision, you may appeal to the Court of Tax Appeals by filing the proper form (available from the county) with the Court within 30 days.

### **What advantage is there to appealing to the Court's small claims division?**

The main two advantages are speed and convenience. The small claims division must hold the hearing within 60 days and issue a decision within 30. The hearing is held in the county where the property is located or an adjacent county. The process is informal and confidential; all records are returned to the taxpayer at the conclusion. You may appeal to the Court of Tax Appeals if you are not satisfied with the small claims division's decision.

### **What are the "Burdens of Proof" on Appeal?**

1. **Small Claims Division:** the county must show that its value is correct.
2. **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 3 years) or the county's value is presumed to be correct.
3. **Increases in Value:** If real property has 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 take it for granted that you will win your appeal because the county must support its value. Be ready to show why your value is more accurate than the county's. Consider providing: recent sales of similar properties; proof of your property's recent sales price; photos and estimates of needed repairs; a private fee appraisal report; or rent information if your property is a leased, commercial property.

***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.***