HOMEOWNER'S GUIDE PROPERTY TAX IN KANSAS

Why is property taxed in Kansas? Your property tax dollars are used by local government to provide funding for roads, parks, fire protection, police protection, health and other services. Property taxes also fund public school districts. All property tax dollars received by the state are redistributed to public school districts or to educational building funds.

What does the county appraiser do? By law the county appraiser is responsible for listing and valuing property in a uniform and equal manner. The appraiser determines the appropriate value of your property. The amount of taxes you pay depends on the budgets set by local government, special assessments and an amount collected by the state and redistributed to public schools.

How does the county's appraisal affect my taxes? If your property value goes up, it does not necessarily mean you will pay more taxes. Likewise, if your property value goes down or does not change, it does not automatically mean you will pay less or the same amount of taxes. Changes in property taxes are based in large part on how much your local government decides to spend on services each year.

Will the value of my property change every year? The value of your property may change each year -- it depends on market conditions, improvements to your property, etc. The county appraiser continually reviews and records sale prices and other information on homes all over the county. The value of your property may also go up or down because of recent sales in your neighborhood.

What value is property appraised at for tax purposes? Homes, commercial real property and certain other property categories are appraised at "market value" as of the first day of January each year. Market value is the amount of money a well-informed buyer would pay and a well-informed seller would accept for property in an open and competitive market without any outside influence. Land devoted to agricultural use, light passenger motor vehicles, and commercial and industrial machinery and equipment are appraised using a value based method, however it is not "market value".

How does the county appraiser determine market value? When valuing your home, the appraiser determines the age, quality, location, condition, style and size of your property. The appraiser then uses one or more of the following three methods to value real property:

The Market (Sales Comparison) Approach: sales of similar property are compared to each other. The appraiser then adjusts for differences (for example, one house may have more square footage than another). This method works well for valuing homes.

The Cost Approach: the cost to replace your property is adjusted for age and condition. This approach works well for new and unique properties.

The Income Approach: in general terms, income from rent is used to value property. This method works well for income producing properties (for example, apartment buildings and malls).

Does the county appraiser visit my home? State law requires the county appraiser to view and inspect all property in the county once every six years. Your county appraiser may view and inspect your property more than once every six years due to market conditions and for quality control.

If I bought my house last year, shouldn't the value be the same as what I paid

for it a year ago? One sale by itself does not determine market value. A single sale may not represent the open market. The price you paid for your house is verified by the county appraiser and then considered along with sales of similar properties. The appraiser uses this information to appraise your home.

When will I be notified of the value of my property? Notices of value are sent to the owner, as recorded in the Register of Deeds office, by March 1 for real property.

How can I determine if the appraisal of my home is accurate? You can visit the county appraiser's office to review information on similar properties and verify that the information the appraiser's office has on your home is correct. If a neighbor has a similar house, which recently sold, the sale price may also give you an indication of the value of your house. In addition, real estate professionals can provide information about market conditions in your area.

What can I do if I do not believe the value or classification of my property is correct?

There are two ways to challenge the value of your home;

- you may appeal the "notice of value" of your home by contacting the county appraiser's office by phone or in writing within 30 days of the mailing date of the notice, or
- you may fill out a "payment under protest' form with the county treasurer at the time you pay your taxes. If an escrow or tax service agent pays your property taxes, then protest no later than January 31 st.

You <u>cannot</u> appeal using both methods for the same property in the same tax year. So, if you start to appeal your "notice of value," be sure that you follow through with the appeal. You will not be allowed to "pay under protest" later.

If you are not satisfied with the results of your appeal at the county level, you may take your case to either the small claims division or the regular division of the Kansas Board of Tax Appeals. For more information on appeals, please contact your local county appraiser's office.

What is the mill levy and how is the mill levy set?

The mill levy is the tax rate that is applied to the assessed value. In general terms, the mill levy is determined by dividing the dollars needed for local services by the assessed property value in the service area. An additional amount is then added for public schools. After the local government budgets are published and hearings are completed, the county clerk computes the final mill levies for each tax unit and certifies the tax roll to the county treasurer for collection.

How to calculate property taxes.

Follow these simple steps:

1. Looking at your notice of value, find the "appraised value" of your home. Multiply the appraised value by the appropriate "assessment percentage" of property.

For example – use RU/RR of 11.5% (.115)

x	.115	=
appraised value	assessment rate	assessed value
2. Multiply the assessed value by the "mill levy" (which is listed under the tax unit the property is located) and then divide by 1,000 to estimate the property tax.		
x divide by 1,000 = \$		
assessed value	mill levy	tax bill

3. Effective for tax year 1999, the first \$20,000 in appraised value of a residential property is exempt from the 20 mill statewide portion of the mill levy. This includes RR/RU and FR/FU properties as well as personal property manufactured/mobile homes.

For example, if the appraised value of the home is \$20,000 or more, the amount of the tax bill will be reduced as follows:

$$20,000 x$$
 .115 = 2,300 x 20 mills divide by 1,000 = **\$46**

appraised value assessment assessed value statewide school mill levy amount of reduction

If the home is appraised for less than 20,000, use the appraised value and follow the same procedures as shown in the above example.

When are property tax bills sent and when should they be paid?

The county treasurer mails tax bills on or before December 15 th. All or at least half of the tax is due by December 20 th, and the second half is due by May 10 th of the following year. If you have a mortgage loan on your property, you will receive a statement with tax information on it. Your tax bill will be sent to the mortgage company or bank, and the tax will be paid out of your escrow account.

Who pays the taxes due on property I sold or purchased?

Except for certain motor vehicles, property tax due on personal property is the responsibility of the owner of record January 1 of each year. For real property, if not addressed in private contract, the buyer is responsible for the property tax if the property is sold on or after January 1 and before November 1. The seller is responsible for the property tax if purchased on or after November 1 and prior to January 1. (KSA 79-1805) Private contracts between buyer and seller will often specify who pays the taxes.

Are property taxes prorated between buyer and seller?

Property is not prorated on the tax roll when acquired and is not prorated off the tax roll when disposed of (KSA 79-309). However, private contracts between buyers and sellers will often prorate the property tax. The only exceptions to this are for motor vehicles and when taxable property becomes exempt or exempt property becomes taxable.

What is real property?

According to Kansas statute, real property is land and all buildings, ie,

improvements, mines, minerals, quarries, mineral springs and wells, rights and privileges appertaining thereto, except as otherwise specifically provided.

What real property is taxable?

By law, all property in this state, real and personal, not expressly exempt there from, is subject to taxation.

Do I qualify for a homestead property tax refund?

The Kansas Homestead Refund Act provides a refund to Kansans who own their homes or pay rent and meet ONE of the following three requirements:

- you must have been 55 years of age or older on January 1 of the tax year, or.
- you must have been totally and permanently disabled or blind during the entire tax year, regardless of age; or,
- you must have had one or more dependent children residing with you the entire year, regardless of your age. At least one dependent child must have been born on or before January 1 of the tax year and must have been under 18 years of age the entire year.

In addition, you must meet ALL of the following requirements:

- 1. you must have lived in Kansas for the entire year; and
- 2. your total household income must not have been more than \$26,300; and
- you must have owned or rented the home you lived in or you must have lived in a nursing home where property taxes were paid during the tax year; and
- you must not owe any delinquent taxes on your home, or if you are filing under the renter's provision, the rental property must be on the tax rolls;
- your property tax or rent must not have been paid from public funds on your behalf directly to the county treasurer or landlord for the tax year.

If you meet the qualifications, you then must file with the Kansas Department of Revenue Homestead Section in order to receive a refund. If you would like additional information, contact the Kansas Department of Revenue Taxpayer Assistance Bureau at (785) 296-0222 or your local county office for assistance.