



Testimony to House Taxation Committee

HB 2134 – Property Tax Appeals

March 6, 2013

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Chairman Carlson and Members of the Committee:

We appreciate this opportunity to present testimony in support of HB 2134 to give property owners a fair process by which to appeal property tax appraisals. Kansas Policy Institute has been engaged in property tax issues for several years and the unfairness of the appeals process is one of the most frequent complaints.

Perhaps nothing demonstrates this more clearly than the large volume of tax appeals that have been decided in the favor of taxpayers or settlements that have been reached after an appeal has been referred to the Court of Tax Appeals. As shown on the attachment to this testimony, 47 percent of the nearly 12,000 residential and commercial cases heard by COTA between 2006 and 2008 were decided in favor of the taxpayer. That's an astonishing rate of rejection by a court.

Another 6,300 cases were settled before going to court; counting all cases where taxpayers were granted full or partial relief from excessive valuations, 65 percent of the appeals were decided in favor of taxpayers.

The Open Record request that produced this information three years ago has not been updated, but we continue to hear the same complaints from taxpayers. Under current law, the deck is stacked in favor of government, which only encourages excessive appraisals that must be fought in court as high cost to the taxpayer. HB 2134 introduces more fairness into the process in a number of ways.

- ✓ The county would be required to provide their comparable values ('comps') to the taxpayer at least 48 hours in advance of an appeals meeting. Currently, taxpayers frequently receive the 'comps' at the meeting and have no opportunity to research and refute.

- ✓ If the county does not accept an appraisal from a Kansas-certified appraiser, the burden of proof in an appeals process falls on the county. And if the taxpayer prevails in such circumstance, the county shall be required to pay reasonable attorney fees and costs to the prevailing taxpayer. Currently, the county has nothing to lose by rejecting a valid appraisal and forcing taxpayers to spend even more money going to court. The 'game' that's played (as relayed by taxpayers) is that the county often settles shortly before an appeal is to be heard by COTA (6,300 hundred times over a three-year period).
- ✓ Even when taxpayers prevail on appeal or settlement, counties often come back with a much higher appraised value the following year, forcing taxpayers to start the entire process over and spend more money. HB 2134 would require any valuation that is reduced in a final determination made pursuant to the valuation appeals process shall remain in effect for three years.

HB 2134 does not restrict government's ability to value property or raise taxes in any way. It merely corrects a number of inequities in the appeals process and we encourage the Committee to report it out favorably.

Court of Tax Appeals - Res. and Comm. Combined

	2006 to 2008 Cases			Cases Heard		Some / All Taxpayer Favor	
	Granted	Denied	Stipulated	Granted	Denied	Granted & Stipulated	Denied
Allen	0	2	3	0%	100%	60%	40%
Anderson	3	2	1	60%	40%	67%	33%
Atchison	5	5	16	50%	50%	81%	19%
Barber	4	4	0	50%	50%	50%	50%
Barton	30	52	32	37%	63%	54%	46%
Bourbon	6	1	2	86%	14%	89%	11%
Brown	11	1	3	92%	8%	93%	7%
Butler	337	378	225	47%	53%	60%	40%
Chase	0	4	2	0%	100%	33%	67%
Chautauqua	2	0	1	100%	0%	100%	0%
Cherokee	1	8	18	11%	89%	70%	30%
Cheyenne	0	0	0				
Clark	0	6	0	0%	100%	0%	100%
Clay	0	2	3	0%	100%	60%	40%
Cloud	0	0	0				
Coffey	0	1	2	0%	100%	67%	33%
Comanche	11	7	19	61%	39%	81%	19%
Cowley	10	31	22	24%	76%	51%	49%
Crawford	11	35	25	24%	76%	51%	49%
Decatur	0	0	0				
Dickinson	39	33	20	54%	46%	64%	36%
Doniphan	1	1	3	50%	50%	80%	20%
Douglas	201	309	289	39%	61%	61%	39%
Edwards	0	0	0				
Elk	0	3	1	0%	100%	25%	75%
Ellis	8	8	7	50%	50%	65%	35%
Ellsworth	3	6	3	33%	67%	50%	50%
Finney	43	43	537	50%	50%	93%	7%
Ford	2	6	15	25%	75%	74%	26%
Franklin	195	25	14	89%	11%	89%	11%
Geary	10	14	10	42%	58%	59%	41%
Gove	0	0	1			100%	0%
Graham	4	4	4	50%	50%	67%	33%
Grant	18	0	0	100%	0%	100%	0%
Gray	1	6	5	14%	86%	50%	50%
Greeley	0	0	0				
Greenwood	0	2	1	0%	100%	33%	67%
Hamilton	0	0	0				
Harper	1	6	1	14%	86%	25%	75%
Harvey	0	3	1	0%	100%	25%	75%
Haskell	0	0	2			100%	0%
Hodgeman	0	1	0	0%	100%	0%	100%
Jackson	16	9	1	64%	36%	65%	35%
Jefferson	11	22	10	33%	67%	49%	51%
Jewell	0	1	0	0%	100%	0%	100%
Johnson	1266	1142	2096	53%	47%	75%	25%
Kearny	0	1	0	0%	100%	0%	100%
Kingman	5	9	5	36%	64%	53%	47%
Kiowa	0	0	1			100%	0%
Labette	16	15	6	52%	48%	59%	41%
Lane	0	0	0				
Leavenworth	61	69	83	47%	53%	68%	32%
Lincoln	0	9	0	0%	100%	0%	100%
Linn	1	6	1	14%	86%	25%	75%

Source: Kansas Court of Tax Appeals; combined results of Small Claims and Regular Division

'Granted' includes relief in whole or part; 'Stipulated' includes cases resolved by the parties without a decision on the merits

Court of Tax Appeals - Res. and Comm. Combined

	2006 to 2008 Cases			Cases Heard		Some / All Taxpayer Favor	
	Granted	Denied	Stipulated	Granted	Denied	Granted & Stipulated	Denied
Logan	0	0	0				
Lyon	123	20	10	86%	14%	87%	13%
Marion	8	15	11	35%	65%	56%	44%
Marshall	0	0	0				
McPherson	2	10	10	17%	83%	55%	45%
Meade	0	0	0				
Miami	65	61	61	52%	48%	67%	33%
Mitchell	1	1	0	50%	50%	50%	50%
Montgomery	9	13	23	41%	59%	71%	29%
Morris	73	5	0	94%	6%	94%	6%
Morton	1	2	2	33%	67%	60%	40%
Nemaha	1	2	1	33%	67%	50%	50%
Neosho	12	15	17	44%	56%	66%	34%
Ness	1	3	25	25%	75%	90%	10%
Norton	0	0	0				
Osage	140	27	12	84%	16%	85%	15%
Osborne	1	0	0	100%	0%	100%	0%
Ottawa	0	2	0	0%	100%	0%	100%
Pawnee	6	18	3	25%	75%	33%	67%
Phillips	0	1	1	0%	100%	50%	50%
Pottawatomie	2	7	9	22%	78%	61%	39%
Pratt	3	4	11	43%	57%	78%	22%
Rawlins	0	0	0				
Reno	61	71	48	46%	54%	61%	39%
Republic	0	0	0				
Rice	0	0	9			100%	0%
Riley	5	140	135	3%	97%	50%	50%
Rooks	1	5	1	17%	83%	29%	71%
Rush	0	0	0				
Russell	19	3	7	86%	14%	90%	10%
Saline	111	238	101	32%	68%	47%	53%
Scott	0	0	0				
Sedgwick	1003	1657	1344	38%	62%	59%	41%
Seward	1	38	7	3%	97%	17%	83%
Shawnee	355	414	352	46%	54%	63%	37%
Sheridan	3	5	0	38%	63%	38%	63%
Sherman	0	1	0	0%	100%	0%	100%
Smith	0	2	1	0%	100%	33%	67%
Stafford	4	6	2	40%	60%	50%	50%
Stanton	0	0	0				
Stevens	39	1	0	98%	3%	98%	3%
Sumner	41	90	29	31%	69%	44%	56%
Thomas	0	0	0				
Trego	0	0	0				
Wabaunsee	0	5	8	0%	100%	62%	38%
Wallace	0	0	0				
Washington	1	2	0	33%	67%	33%	67%
Wichita	0	0	0				
Wilson	1	2	1	33%	67%	50%	50%
Woodson	4	0	0	100%	0%	100%	0%
Wyandotte	1105	1075	590	51%	49%	61%	39%
	5535	6253	6322	47%	53%	65%	35%

Source: Kansas Court of Tax Appeals; combined results of Small Claims and Regular Division

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