

Valuation to Use in Setting Levies

Question: Per our phone conversation, did you get a chance to check into our ability to set regional library levies with July estimated valuation? I am having a number of counties call to inquire. Thanks so much,

Answer: Good morning. As to whether you should use the final valuation numbers or the July estimated valuation numbers K.S.A. 75-2551 provides in pertinent part as follows:

. . . The tax levy made pursuant to the budget shall be based upon the certified preliminary abstract of property values submitted to the director of property valuation pursuant to K.S.A. 79-1604 [abstract of assessment rolls prepared and submitted to PVD on or before July 15] . . . and shall be certified to the county clerks of each county in the territory of the regional system of cooperating libraries.

So, in the case of the regional library systems Kansas law directs usage of the July estimates for determination of the tax levy. This was confirmed by Vicki Lignitz of Property Valuation Division, KDOR.

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Question: Since several of my counties certified July estimated valuations and then noted that a portion of their value “may” be reduced due to a pending Court of Tax Appeals hearing, what do I use to set their mill levy? These counties do not recertify their November final values. Some counties do not even note that a value may be reduced, so I may not even know which counties to contact if needed. Thanks in advance.

Answer: In KSA 79-213d it is provided:

When any taxpayer has filed an application requesting an exemption from the payment of all or a portion of the ad valorem property taxes assessed, or to be assessed, against such taxpayer's property, the county appraiser shall notify the county clerk that the exemption application has been filed and the county clerk shall not be required to include the assessed valuation of such property in the applicable taxing districts until such time as the application is denied by the state court of tax appeals or, if judicial review of court's order is sought, until such time as judicial review is finalized. . . .

According to this statute it is within the county clerk's discretion whether to reduce the valuation when faced with a pending exemption request. In your case, when the clerk from another county provides you with both numbers, you should use the July valuation number and not the valuation number reduced for the potential exemption. We contacted Peggy Huard of the Property Valuation Division, KDOR, to confirm this advice.

We hope this helps.

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Question: A neighboring county clerk has recently submitted a corrected valuation amount for property which lies within the taxing boundary of the regional library system. The corrected number is higher than that which was previously certified to me. Based upon a brief note received from the county clerk it appears that the change in valuation amount is due to a computer software issue that initially resulted in an incorrect computation. Do I use the original amount or the corrected amount?

Answer: Concerning the question of whether to set the tax levy of the regional library system using the corrected valuation number, K.S.A. 75-2551 requires that you, as county clerk, base the tax levy of the system "upon the certified preliminary abstract of property values submitted to the director of property valuation pursuant to K.S.A. 79-1604" On its face, the above language would appear in this case to require that you use for tax levy purposes the valuation amount certified in the preliminary abstract. The impact to taxpayers within the taxing unit of the district, should the original valuation number be used, would be a slightly higher levy rate than that which they would receive in the event you utilize the corrected valuation number.

One unknown at this time is whether the corrected valuation number is already a part of the preliminary abstract submitted to the State of Kansas on or before July 15. If such is the case you are clearly authorized to use the corrected number submitted to you. And, even if the corrected number is not included within the preliminary abstract submitted to the State by the neighboring county, then due to the fact that you are dealing with an error that resulted from what appears to be an incorrect initial computation, necessitating submission to you of a corrected valuation amount, you should utilize the corrected valuation number in accordance with K.S.A. 2010 Supp. 79-1701, which provides as follows:

The county clerk shall, prior to November 1, correct the following clerical errors in the assessment and tax rolls for the current year, which are discovered prior to such date:

....

(g) errors whereby the values or taxes are understated or overstated as a result of a mathematical miscomputation on the part of the county.

We hope that this is helpful.

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