

rates some of the lowest in the area

In 2010, residents of Colby had to take into account a total of 152.824 mills which affect property taxes. Likewise, residents of Brewster had to consider a total levy of 163.024 mills in 2010. Though residents of each city and township must take into account their unique taxing authorities, the three that remain constant are the ones set by the state, the community college and the county.

The state levy has remained the same for at least the last 20 years, at 1.5 mills, with little chance of changing in the near future. As does the county levy, the Colby Community College levy changes from year to year. It received 35.208 mills in 2010. But, for the purpose of comparison to other counties in northwest Kansas, property tax rates have been figured by focusing on levies that pertain to the county since the college is a separate entity, and no other local county has one.

Among county funds, the biggest increases from 2000 to 2010 were the general fund, which rose from 4.046 to 10.661 mills; employee benefits, from 3.971 to 7.247 mills; and county health rose from .988 mills in 2000 to 1.513 mills in 2010. The road and bridge fund, which rose from 4.279 in 2000 to 8.496 mills in 2010 grew because the fund took on responsibilities regarding noxious weed, said Thomas County Clerk Shelly Harms.

"By taking on noxious weed, road and

bridge consequently had additional equipment costs, salaries, fuel and other expenses that had to be paid for," said Harms.

Though these funds did receive a considerable increase and made a huge impact on the increase in spending, they were of the minority. Most of the 2010 funds received a cutback in spending from the 2000 and 1990 budgets.

From 2000 to 2010, commissioners decreased the amount they allotted to most of the tax funds in the county. For example, they cut the levy amount for the fair by .716 mills and for mental health by .147 mills.

These mill rates affect the overall budget of Thomas County and are coupled with the assessed valuation of the county to help figure property taxes.

In 2010, the assessed valuation of Thomas County was \$85,947,724. This means that every mill brought in about \$85,948 in property taxes in 2010.

Certified, legal budgets and levy reports provided by the Thomas County Clerk show that the valuation of the county went from \$60,283,614 in 1990, to \$68,253,874 in 2000 and rose to \$85,947,724 in 2010.

But when comparing amounts with inflation rates of 2010, using www.WestEgg.com/Inflation, it shows that valuations have actually been decreasing from about \$102.3 million

in 1990: a 15.9 percent decrease from 1990 to 2010.

So how much of your residential property taxes go to Thomas County?

"In 2010, a residential home in Thomas County with a market value of \$84,000 would generate \$334.24 for the county, for the entire year," explained Cech. "This is found by multiplying \$84,000 times the assessment rate of 11.5 percent, which is \$9,660."

Assessment rates vary depending on the classification of the property, said Cech. They were voted on and set by the state constitution in 1986.

"Then, \$9,660 is multiplied by the county levy rate, which was .346 in 2010. This equation tells us how much was generated for taxes on that home for Thomas County."

In 1990, the same home would have given \$232.32 to the county and in 2000, just 10 years later, they would have been 16.3 percent higher at \$270.19. From 2000 to 2010, the home would have generated 23.7 percent more in property taxes for the county.

The county levy of 34.583 mills multiplied by \$85,948 generated a total of \$2.972 million from property taxes in 2010.

In 1990, property taxes brought in \$1.35 million and in 2000, \$2.05 million. Adjusted for inflation, those figures would be \$2.25 million and \$2.59 million, respectively.



Thomas County

Tax rate 1990 – 24.05 mills.

Tax rate 2000 – 27.97 mills.

Tax rate 2010 – 34.583 mills.

Up 44 percent over 20 years.

Adjusted for inflation, 24.05 mills in 1990 would equal 39.6 mills in 2010. The levy increase is 4 percent below inflation.

Spending 1990 – \$2,641,120.

Spending 2000 – \$4,628,742.

Spending 2010 – \$7,161,877.

Up 171 percent over 20 years.

Adjusted for inflation, \$2,641,120 million spent in 1990 would equal \$4,349,925 in 2010, an increase of 64.7 percent. The increase in adjusted spending is \$2,070,057, or 4.8 percent over inflation.

soar on the plains, farm share of taxes down

Farmland is not appraised at market value, like most real estate. Instead, under a law pushed by farm interests, its value is based on its potential for crop production.

To determine this, the Kansas Department of Revenue looks at how much on average a landlord got or would have received in net income over eight years. Soil type is also taken into account. For grassland, an eight-year average of the net rental income is used. Those numbers are then divided by a capitalization rate, which results in the appraised value.

The capitalization rate is made of three components:

- A five-year average of the Federal Land Bank's interest rate on new loans in Kansas.

- An add-on rate from .75 percent to 2.75 percent, which the director of property valuation determines each year.

- Each county's average agricultural property tax rate.

These three components are combined to form a percentage, which is divided into the net income estimate for a given tract. Capitalization rates vary among counties, but for 2011, most are between 14 and 15 percent.

For northwest Kansas, this year's capitalization rates are: Cheyenne County, 13.7 percent; Rawlins, 14.87; Decatur, 14.75; Norton, 14.5; Sherman, 14.03; Thomas, 14.85; Sheridan, 14.51; Wallace, 14.85; and Logan, 14.53.

For tax purposes, farmland is divided into

four types: dryland, irrigated land, tame grassland and native grassland.

For dryland fields, the U.S. Natural Resource Conservation Service developed a system for rating soil types on potential for plant growth. For irrigated fields, the Kansas State University Department of Agronomy developed the Kansas Irrigated Productivity Index, a similar system for determining how well plants will grow in certain soil types.

All this is applied to determine the income potential of a given tract.

Thomas County Commissioner Paul Steele has long been in favor of revising the system.

"You have to understand the effects," Steele said. "Farmers are paying less, so other people

have to pay more."

Counties have to raise enough revenue to pay for services and payroll, he said, but when ag land values go down, the effect is to shift the tax burden to others. Since homes are assessed at a favorable rate (11.5 percent of market value), businesses wind up with an increasingly larger share of the bill.

Ag valuation has been dropping because farm production was hit hard by drought in the late 1990s and early 2000s, hitting the lowest point in 2003. However, farm production in northwest Kansas had several recent boom years, and valuation will go back up once those numbers begin to dominate the eight-year average.

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