

BIG BOX

BEFORE THE COURT OF TAX APPEALS
STATE OF KANSAS

RECEIVED

SEP 16 2013

IN THE MATTER OF THE EQUALIZATION
APPEAL OF MUMBO JUMBO, L.L.C. FOR
THE YEAR 2011 IN JOHNSON COUNTY,
KANSAS

JO CO LEGAL DEPT

Docket No. 2011-3431-EQ

ORDER

Now the above-captioned matter comes on for consideration and decision by the Court of Tax Appeals of the State of Kansas. The Court conducted a hearing in this matter on May 30-31, 2012. Taxpayer Mumbo Jumbo, L.L.C. appeared by Linda A. Terrill, Attorney. Johnson County, Kansas (the "County") appeared by Kathryn D. Myers, Assistant County Counselor. Taxpayer Exhibit #1, and County Exhibits #1, #7, and #18 were admitted into evidence. The Taxpayer's post-hearing brief was received January 16, 2013 and the County's post-hearing brief was received April 22, 2013.

After considering all of the evidence and arguments presented, the Court finds and concludes as follows:

Jurisdiction

The Court has jurisdiction of the subject matter and the parties hereto, as an equalization appeal has been properly filed pursuant to K.S.A. 2012 Supp. 79-1609.

Subject Property/Issues Presented

The subject property consists of a big box retail building and surrounding land located at 11401 Metcalf Avenue in Overland Park, Kansas. The building was constructed in 1995, contains 60,501 square feet of net leasable area, and is identified as Parcel ID# 046-074-17-0-30-04-001.00-0. Although originally constructed for a single retail tenant, the subject property is currently divided for occupancy by the main tenant, Jo-Ann's Fabrics, and the remainder of the property is subleased to the Tile Shop.

The tax year at issue herein is 2011. The County issued a notice of value for the 2011 tax year indicating an appraised value of \$4,978,000 and this value was sustained at the County informal hearing level. The Taxpayer appeals this

valuation asserting the County's appraisal lacked relevant supporting data, and this data was improperly analyzed and, consequently, not probative of the subject property's market value. The Taxpayer contends the County's appraisal did not comply with certain competency and reporting requirements prescribed under Uniform Standards of Professional Appraisal Practice ("USPAP") and, as such, the conclusions reached therein were unreliable. Further, the Taxpayer argues that the real property interest appraised, the fee simple interest, requires valuing the property as if vacant and available to be leased at market rates. The Taxpayer requested the subject property's 2011 appraised value be reduced to \$3,030,000, the opinion of value determined by its appraiser.

The County contends the Taxpayer's appraisal lacked substantial credible evidence and was premised on hypothetical assumptions (valuing the property as if vacant and available to be leased at market rates) that were in contravention of Kansas property tax law. Accordingly, the County requests its valuation, which it asserts was based on pertinent market evidence and compiled in accordance with applicable property tax law, be sustained for the tax year in issue.

County Evidence

Kara Endicott, COTA Specialist, appeared as a witness for the County and testified regarding the County's appraisal of the subject property. Endicott has the Registered Mass Appraiser ("RMA") designation from the State of Kansas, Division of Property Valuation ("PVD"), and the Certified Assessment Evaluator ("CAE") and Residential Evaluation Specialist ("RES") designations from the International Association of Appraisal Officers ("IAAO"). Endicott has been employed by the County for over 15 years, and has been doing residential and commercial appeals over this period.

The County performed cost and income approaches for its valuation, yet gave primary weight to the income approach. The County's cost approach indicated a value of \$4,958,070 and its income approach indicated a value of \$4,978,000. The County did not compile a sales comparison approach ("sales approach") as the computer assisted mass appraisal system approved by PVD does not provide this methodology. The County, however, reviewed open market sales of comparable commercial properties as a check for the opinion of value it determined utilizing its other appraisal methodologies.

The subject property is located north of the 119th and Metcalf Avenue intersection. In recent years, the majority of new construction of high quality retail space had been occurring along 135th Street; however, the 119th and Metcalf Avenue retail area is still considered among the premier retail locations in the County. The County acknowledged there had been a downturn in the market in years prior to

the 2011 tax year and considered this factor in its valuation of the subject property. Although there have been some stalled and bankrupt developments south of the subject property along 135th Street, the County ultimately determined the subject area was experiencing moderate growth as of the January 1, 2011 assessment date.

The County noted that the highest and best use of a property can change over time if the character of the neighborhood changes and thus creates a demand for a different use. If there is no evidence of such a change, however, the County concludes that a property's current use is its highest and best use. As there was no evidence of such a change in the subject neighborhood and as the Taxpayer has not asserted the subject property's current use was not its highest and best use, the County concluded the subject property's current use as a single tenant retail property was its highest and best use.

The County determined the subject property was a single-tenant retail building of investment class B. From questionnaires returned from property owners, as well as rent rolls, operating statements and leases obtained through the valuation appeals process, the County gathered income and expense data for various property types. To compile its market rental and expense ranges, the County reviewed data derived from other single-tenant retail properties as well as larger tenant spaces in shopping centers and power centers. Endicott determined the subject property had high visibility due to its location on Metcalf Avenue, which is the primary north-south thoroughfare in Overland Park, Kansas. Endicott noted, however, that the subject property had poor access from southbound Metcalf lanes. After considering the subject property's size, condition, access, and visibility, the County assigned the property a rental rate of \$8.50 per square foot and an expense rate of \$0.50 per square foot on a triple net basis. The County noted that free standing buildings were generally at the low end of this expense range.

The County determined its market vacancy rate of 7% from similar sources including reviews of various national surveys and actual inspections of area properties. The County obtained its capitalization rate from the *2011 Capitalization Rate Study* compiled for the County by David Craig & Co., Inc. Craig analyzed sales and income data (actual, projected, and market) of apartment, office, retail and industrial properties for indications of overall capitalization rates. Craig found few sales of investment class B properties and, therefore, determined its investment class B capitalization rate through extrapolation of capitalization rates calculated for investment class A and C properties. Based on these determinations, the County determined a net operating income ("NOI") of \$448,010.

The County's *Commercial General Rent Report* listed information from actual rent rolls or leases maintained in the County's central data base. This report examined eight single-tenant retail properties in the investment A to B range. These properties were 28,163 square feet to 67,500 square feet in size with lease

starts in the 2006 to 2011 calendar years. These properties indicated an average rental rate of \$11.10 per square foot on a triple net basis. Arraying these properties and their corresponding rental rates based on size, the County forecast a rental rate of \$10.50 per square foot for the subject property. The County concluded this data supported it \$8.50 per square foot market rental rate determination. Endicott's review of these lease comparables indicated they were open market transactions and not build-to-suit or sale leaseback transactions.

For her cost approach, Endicott inspected the subject property and reviewed area commercial vacant land sales to determine a vacant land value of \$11 per square foot. Using cost tables from the Marshall Valuation Service, and applying reductions for depreciation and obsolescence, the County determined a replacement cost new less depreciation for the subject building of \$2,414,390. Adding amounts to account for the ancillary improvements, the County determined an opinion of value of \$4,958,070.

The County did not perform a formal sales approach; however, it compiled a *Commercial Improved Sales Report* which presented valuation and property characteristic data regarding sales of five comparable retail properties in the County. The County chose properties either close in geographical proximity or comparable to the subject property in property characteristics. Endicott testified the subject property, at its current appraised value, was valued less on a per square foot basis than these comparables. The County acknowledged that all of these sales occurred prior to the economic downturn and, as a result, they may have limited probity regarding the subject property's market value as of January 1, 2011.

Taxpayer Evidence

Thomas H. Slack, Appraiser, appeared as a witness for the Taxpayer and testified regarding his opinion of value for the subject property. Slack is licensed to appraise property in Kansas and Missouri, and has been awarded the MAI (Member of the Appraisal Institute) designation from the Appraisal Institute. Slack has been appraising real property since 1983.

Slack compiled an appraisal of the subject property that indicated an opinion of value of \$3,030,000. Slack compiled sales and income approaches, and relied most heavily on the opinion of value determined by his sales approach. Slack did not perform a cost approach due to the age and obsolescence he observed in the subject property. Slack reviewed forecasts for the Kansas City metropolitan area published by the *Block Real Estate Services* and *Land 4 Property Group* indicating a poor retail investment environment and retail vacancy at an all-time high in the subject area for the tax year at issue. Slack determined the subject property's highest and best use is its existing use as a single tenant retail store.

For his income approach, Slack analyzed five leases of properties in the 119th and Metcalf area which, after adjustments and excluding a lease with an atypically low rental rate, indicated lease rates ranging from \$6.63 to \$8.49 per square foot. From this data, Slack concluded a market rent of \$7 per square foot. Relying on the *Block Real Estate Services* forecast for south Johnson County, Slack determined a vacancy and credit loss of 10.8% and 1%, respectively, and concluded an effective rental income of \$477,129. Noting that single-tenant retail properties are typically leased on a triple net basis, Slack deducted unreimbursed expenses for the property owner totaling \$0.38 per square foot for a NOI of \$350,598. From his review of the *Price Waterhouse Coopers Real Estate Investor Survey* and *Real Estate Research Corp. Real Estate Report* as well as his mortgage equity analysis, Slack determined a capitalization rate of 9.5%. Slack selected a capitalization rate assuming the property was vacant and available for lease. Slack noted this capitalization rate was 250 basis points, or 2.5%, greater than the capitalization rate indicated in these surveys for properties subject to a lease. Applying this capitalization rate to his NOI, Slack determined an opinion of value of \$3,540,000.

For his sales approach, Slack reviewed five sale comparables and one contract for sale that did not close. All of the sale comparables utilized were vacant or soon to be vacant as of the date of sale. After adjusting for time, location, age, condition and other factors, these sales indicated a value range of \$44.26 per square foot to \$50.76 per square foot. Slack gave particular emphasis to the CompUSA sale, a property located next door to the subject property and of similar age, that sold for \$44.26 per square foot in December 2010. From his sales data, Slack concluded a value of \$50 per square foot and a value opinion of \$3,030,000. Slack determined there were an adequate number of comparable sales available during the valuation period to yield a clear pattern of value. As such, Slack gave primary weight to his sales approach and concluded an opinion of value for the subject property of \$3,030,000 for the tax year in issue.

David Lennhoff, Appraiser, appeared as a witness for the Taxpayer and testified regarding his review of the County's appraisal. Lennhoff has been awarded the MAI designation from the Appraisal Institute, the Fellowship of Royal Surveyors (FRICS) from the British Appraisal, and the Counselor of Real Estate (CRE) designation. Lennhoff has had numerous articles and books published by the Appraisal Institute, and is currently an instructor for this organization. Lennhoff is also the editor in chief of the *Appraisal Journal*, the quarterly publication of the Appraisal Institute. While Lennhoff is an expert with respect to USPAP, he admitted that he is not an expert with respect to Kansas law.

Lennhoff testified that the County's valuation of the subject property was unreliable as it was premised on an erroneous definition of fee simple interest. Lennhoff submitted that fee simple interest means a property is vacant and

available to be leased at market rates, and not the frequently misinterpreted definition of leased at market rates. Lennhoff testified that estimating the market value of a property as if leased at market rates will provide an opinion of value for the leased fee interest rather than the fee simple interest.

Applicable Law and Court Conclusions

Law Governing Ad Valorem Taxation

All real and personal property in Kansas is subject to taxation on a uniform and equal basis unless specifically exempted. Kan. Const. art. XI, § 1(a); K.S.A. 79-101. It is the duty of the Legislature to provide for a uniform and equal rate of assessment and taxation. *See id.* Pursuant to its constitutional dictate, the Legislature has enacted a statutory scheme to ensure property is appraised for ad valorem tax purposes in a uniform and equal manner. Central to this statutory scheme is the requirement that property be appraised at fair market value as of January 1 of each taxable year. *See* K.S.A. 79-1455.

Fair market value is defined as the amount in terms of money that a well-informed seller is justified in accepting for property in an open and competitive market. *See* K.S.A. 79-503a. In determining fair market value the appraiser must consider various factors enumerated in K.S.A. 79-503a(a) to (k).

The ad valorem tax appraisal process also shall conform to generally accepted appraisal procedures adaptable to mass appraisal and consistent with the definition of fair market value, unless otherwise specified by law. *See* K.S.A. 79-505. Appraisals produced by the computer assisted mass appraisal (CAMA) system prescribed or approved by the director of property valuation shall be deemed to be written appraisals that fulfill the statutory requirements. *See* K.S.A. 79-504; *In re Yellow Freight System, Inc.*, 36 Kan.App.2d 210, 213, 137 P.3d 1051 (2006).

The director of the property valuation division (PVD) for the State of Kansas is required to adopt rules and regulations prescribing appropriate standards for performing appraisals in accordance with generally accepted appraisal standards, as evidenced by the standards promulgated by the Appraisal Standards Board. *See* K.S.A. 79-505. The Appraisal Standards Board publishes USPAP.

In November 1992, the PVD director adopted Directive #92-006, requiring county appraisers to perform all appraisal functions in conformity with Standard 6 of the 1992 USPAP. Standard 6 governs the development and reporting of mass appraisals. Computer assisted mass appraisal is the method of appraisal generally used throughout Kansas, and it is the method approved by the PVD director for ad valorem tax purposes.

This Court recognizes the importance of USPAP compliance to the legitimacy of the ad valorem tax system in Kansas. Each year counties throughout the state issue ad valorem tax assessments on every taxable parcel within their jurisdictions based on fair market value estimates. The vast majority of assessments are accepted by property owners without appeal. In order to maintain public trust and confidence in the system, it is essential for a property owner to know that the assessment he receives each year is backed by appraisal work that conforms to recognized professional standards. That purpose is served by USPAP, as well as by other legal protections such as statutory penalties for tax officials who fail to discharge their duties lawfully and state oversight requirements under the Kansas Real Estate Ratio Study Act (K.S.A. 79-1485 to K.S.A. 79-1493).

It is the duty of each taxing unit, as well as the state director of PVD, to regulate and oversee the professional practice of county appraisers and to ensure substantial compliance with state appraisal laws. This Court—which is strictly a quasi-judicial body—has no such oversight or regulatory authority.

It is the role of this Court to provide an impartial venue for the resolution of tax disputes. The Court hears the parties' arguments and weighs all of the evidence in accordance with the Kansas Administrative Procedures Act (KAPA) and the code of civil procedure. See K.A.R. 94-5-1. The Court must render decisions based on substantial competent evidence in light of the record as a whole and must decide cases solely on the evidence presented. See K.S.A. 77-621(c); K.S.A. 77-526(d). The presentation of evidence in proceedings before this Court need not adhere strictly to the Kansas rules of evidence. See K.S.A. 77-524(a). The objective is to provide the parties with a reasonable opportunity to be heard.

We also note that this Court is a quasi-judicial administrative body and may therefore rely upon its own expertise in assessing the evidence before it. See *Hart v. Board of Healing Arts of State*, 27 Kan.App.2d 213, 217-18, 2 P.3d 797 (2000). As our sister tax court of Minnesota has explained, "The quality of the work, the adherence to relevant meaningful industry standards, the witness's comportment and persuasiveness on the stand, their candor and ability to explain their analysis are among the significant factors in determining credibility." *Johnson Matthey Advanced Circuits v. Cty. of Wright*, 2003 WL 21246379 at 9 (Minn. Tax, May 22, 2003).

Of course, in considering the credibility of evidence in each case, we are mindful of the standards of appraisal practice embodied in USPAP. We recognize that when valuation evidence so deviates from USPAP that it becomes materially detrimental to a party's overall opinion of value, the evidence may be unreliable as a matter of law. See *In re Amoco Production*, 33 Kan.App.2d 329, 337, 102 P.3d 1176 (2004); see also *Board of Saline Cty. Comm'rs v. Jensen*, 32 Kan.App.2d 730, 88

P.3d 242, *rev. denied* 278 Kan. 843 (2004) (holding that a valuation premised on an appraisal approach expressly prohibited by USPAP is erroneous as a matter of law).

Analysis

The subject property is classified as commercial use property and the Taxpayer has not provided the County with the subject property's prior three years income and expenses statements. *See Order on Motions* certified May 30, 2012. As such, pursuant to K.S.A. 79-1609, the Taxpayer has the duty to initiate the production of evidence to demonstrate, by a preponderance of the evidence, the validity and correctness of such determination.

The Taxpayer disputed both the valuation data and the appraisal analysis contained in the County's valuation report. In addition, the Taxpayer contends, based on the determinations made in Slack's appraisal and Lennhoff's review, that the appraisal of the fee simple interest requires valuing the property as if vacant and available to be leased at market rates.

K.S.A. 79-102 defines "real property" and "real estate" to "include not only the land itself, but all buildings, fixtures, improvements, mines, minerals, quarries, mineral springs and wells, rights and privileges appertaining thereto." (Emphasis added.) Because real property is defined to include all rights and privileges appertaining thereto, it is the "fee simple interest" that is valued for purposes of ad valorem taxation purposes in the State of Kansas. The "fee simple interest" denotes "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by governmental powers of taxation, eminent domain, police power, and escheat." *The Appraisal of Real Estate*, Appraisal Institute 111 (13th ed. 2008).

In Kansas, the fair market value of real property for ad valorem taxation purposes is based upon the highest and best use of the property. PVD Directive #99-038. "Highest and best use" is the reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The highest and best use must meet four criteria: legal permissibility, physical possibility, financial feasibility, and maximum productivity. *The Appraisal of Real Estate* at 278; *Yellow Freight System, Inc., et al. v. Johnson County Board of Co. Comm'rs*, 36 Kan.App.2d 210, 217, 137 P.3d 1051, *rev. denied* (2006). The parties herein agreed the subject property's highest and best use is its existing use as a single-tenant retail store.

The central issue herein is not one of first impression for either this Court or our reviewing Court, the Kansas Court of Appeals. In *In re Equalization Appeal of Yellow Equipment and Terminals, Inc. et al*, Docket Nos. 2007-5812 *et al.*, Order

certified January 11, 2012, Yellow Equipment disputed Johnson County, Kansas' valuation of its owner-occupied office headquarters. Yellow Equipment argued the proper valuation of the fee simple interest of its property required an appraisal that valued the property as vacant and available to be leased at market rates. Although the property was fully occupied as of the appraisal date, Yellow Equipment's opinion of value relied on valuation methodologies that each applied a substantial lease-up discount, which considers the cost to a buyer to bring a vacant property to a stabilized occupancy.

This Court, then constituted by our predecessor judges, rejected the Yellow Equipment's valuation methodology finding that the application of such a discount was unneeded as the Yellow Equipment facility was fully occupied. The Court noted, however, that the inclusion of such a discount may be appropriate in instances where a property is experiencing below stabilized vacancy. This Court held that "applying a lease-up discount ... would require a suspension of reality and an acceptance of conditions not borne out by the evidence." *Id.* at 11. This Court further concluded that the extraordinary assumptions and hypothetical conditions which resulted in Yellow Equipment appraising the subject property as if vacant were inconsistent with Kansas property tax law. *Id.* Yellow Equipment appealed this decision to the Kansas Court of Appeals, where this Court's decision was affirmed. *In re Equalization Appeal of Yellow Equipment and Terminals, Inc. et al*, 290 P. 3d 686, 2012 WL 6634418 (Kan. App. 2012) (unpublished).

As in *Yellow Equipment*, the property at issue herein is fully leased with no historical vacancy issues. Yellow Equipment applied an across the board adjustment to account for the hypothetical condition of its property being vacant and available to be leased. The Taxpayer herein utilized a different approach: relying primarily on sales of vacant properties in its sales approach and utilizing a capitalization rate in its income approach that was adjusted to account for the property being vacant and available for lease.

Taxpayer, both at hearing and in its papers, provided no legal basis for its assumption that the appraisal of property at fee simple interest requires valuing the property as if vacant and available for lease. Instead, Taxpayer relied exclusively on the testimony of Lennhoff, who has no experience in Kansas property tax law. As such, this Court, as our predecessors in *Yellow Equipment*, finds no legal justification for the Taxpayer's appraisal assumptions. The Court will, however, examine how these appraisal assumptions impacted the propriety of the Taxpayer's various appraisal approaches.

The sales comparison approach estimates value by comparing similar properties that have recently sold with the subject property and making adjustments to the sale prices based on relevant, market-derived elements of comparison. *The Appraisal of Real Estate* at 297. We note that the utilization of

vacant properties as comparables in a fee simple interest sales comparison approach, while clearly not mandated by Kansas property tax law, is similarly not precluded. Proper appraisal procedure, however, requires an appraiser to consider all similarities and differences that can impact value. *Id.* at 302. Real property rights conveyed, financing terms, conditions of sale, market conditions, location, and physical characteristics are items that must be considered when making adjustments to the sales prices of the comparable properties for their differences from the subject. *Id.* at 309. The concepts of highest and best use and fee simple are fundamental in the sales approach.

For his sales approach, Slack examined five sale comparables and one contract for sale that did not close. These comparables are readily distinguished from the subject property due to extensive deferred maintenance, atypical financing arrangements, and/or being situated in less desirable locations than the subject property. The Court finds Slack did not perform adequate appraisal adjustments to account for these various conditions. As such, the Court finds the opinion of value derived therefrom unreliable.

In his income approach, Slack analyzed five leases of comparable properties from Johnson County, Kansas. Slack's primary lease comparable, while situated on 119th Street, was in an inferior location with limited visibility and his second best lease comparable was from the subject area. Further, many of these lease comparables were lease renewals and not spaces that were exposed to the open market. Moreover, the Court finds Slack's adjustments to various of these comparables to account for tenant improvement costs amortized in the lease rate to be excessive and unsupported. Adjustments for tenant improvements in excess of that generally observed in the market are allowable; however, market evidence is needed to substantiate what level of tenant improvements are generally built into the rent and, consequently, what tenant improvements are in excess. *Id.* at 455. Such market evidence was not presented by Slack.

Slack relied primary on the *Block* survey for his vacancy rate determination; however, the County's vacancy analysis data for large single-structures indicated a significantly lower rate and is more exhaustive and specific to the subject property type.

For his capitalization rate, Slack relied on national surveys and reports, and not local market data as the County. In addition, Slack relied on a mortgage-equity analysis that relied on an equity rate that was not substantiated with market evidence. Slack's capitalization rate adjustment to account for the subject property being subject to a lease is similarly inappropriate (as Kansas property tax law does not require a property be valued as vacant) and, further, was not borne out by the market data presented.

In the present case, the County presented its valuation evidence through Endicott, a qualified mass appraisal expert with demonstrated knowledge of the subject property and the subject area. Endicott personally inspected the subject property and reviewed the work of the field appraiser assigned to the property. In addition to her testimony, Endicott sponsored a computer assisted mass appraisal report with supporting documentation. The County's documentary evidence consisted of various items such as the property record card, photographs, maps, geographic data, property characteristic information, a reconciliation statement, and various mass appraisal market information.

Endicott clearly communicated the elements and conclusions supporting the county's valuation and definitively set out the scope of the county's appraisal work. This evidence clearly indicates that the scope of the County valuation was a mass appraisal assignment and that its valuation is based on data developed using standard methods applied through computer assisted mass appraisal models. The Court finds nothing misleading in the County's evidence with regard to scope of work. Inclusion of supporting documents and explanatory testimony assists the Court in its final analysis, and such evidence is not prohibited by Kansas law. See *In re Yellow Freight System, Inc.*, 36 Kan.App.2d 210, 215, 137 P.3d 1051, 1055 (2006). While Lenhoff challenged the USPAP compliance of the report, Lenhoff was not familiar with Kansas law regarding county appraisal reports for purposes of ad valorem taxation. The Court finds the County's reports meet minimum standards of reliability under Kansas law for purposes of ad valorem taxation. Nothing in the record suggests that the County's value is premised on an appraisal approach expressly prohibited by USPAP. Nor is there any evidence of USPAP deviations that could be construed as materially detrimental to the county's overall opinion of value.

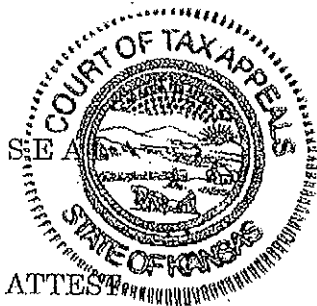
After examination of the appraisal evidence presented, the Court finds the County's opinion of value to be most credible. The County's evidence – its computer generation mass appraisal reports, supplemental documentation and testimony from its mass appraisal expert – collectively provide substantial competent evidence in support for its valuation recommendation. Based on the substantial evidence presented by the County, as well as the lack of competent evidence and flawed appraisal adjustments found in the Slack appraisal, the Court find the Taxpayer's appraisal evidence unpersuasive. For the foregoing reasons, the County's recommended value of \$4,978,000 is hereby adopted for the 2011 tax year.

IT IS THEREFORE ORDERED that, based on the above findings and conclusions, the subject property shall have an appraised value of \$4,978,000 for the 2011 tax year.

Any party to this action who is aggrieved by this decision may file a written petition for reconsideration with this Court as provided in K.S.A. 2012 Supp.

77-529. The written petition for reconsideration shall set forth specifically and in adequate detail the particular and specific respects in which it is alleged that the Court's order is unlawful, unreasonable, capricious, improper or unfair. Any petition for reconsideration shall be mailed to: Secretary of the Court, Kansas Court of Tax Appeals, Eisenhower State Office Building, Suite 1022, 700 SW Harrison St., Topeka, KS 66603. A copy of the petition, together with any accompanying documents, shall be mailed to all parties at the same time the petition is mailed to the Court. Failure to notify the opposing party shall render any subsequent order voidable. The written petition must be received by the Court within fifteen (15) days of the certification date of this order (allowing an additional three days for mailing pursuant to statute). If at 5:00 pm on the last day of the specified period the Court has not received a written petition for reconsideration of this order, no further appeal will be available.

IT IS SO ORDERED



THE KANSAS COURT OF TAX APPEALS

SAM H. SHELDON, CHIEF JUDGE

JAMES D. COOPER, JUDGE

RONALD C. MASON, JUDGE

JOYLENE R. ALLEN, SECRETARY

CERTIFICATION

I, Joeline R. Allen, Secretary of the Court of Tax Appeals of the State of Kansas, do hereby certify that a true and correct copy of this order in Docket No. 2011-3431-EQ and any attachments thereto, was placed in the United States Mail, on this 13th day of september, 20____, addressed to:

Mumbo Jumbo LLC
5555 Darrow Rd
Hudson, OH 44236

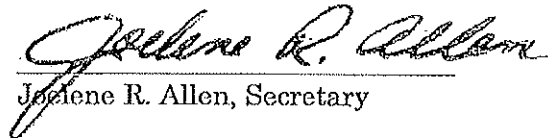
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IN TESTIMONY WHEREOF, I have hereunto subscribed my name at Topeka,
Kansas.


Joeline R. Allen, Secretary