

IN THE CIRCUIT COURT OF JACKSON COUNTY, MISSOURI  
AT INDEPENDENCE

BLUE SPRINGS REORGANIZED SCHOOL )  
DISTRICT NO. 4 OF JACKSON COUNTY, )  
MISSOURI, )  
)  
CENTER SCHOOL DISTRICT NO. 58, )  
)  
FORT OSAGE REORGANIZED SCHOOL )  
DISTRICT OF JACKSON COUNTY, )  
MISSOURI, )  
)  
GRAIN VALLEY REORGANIZED SCHOOL )  
DISTRICT NO. 5 OF JACKSON COUNTY, )  
MISSOURI, )  
)  
GRANDVIEW CONSOLIDATED SCHOOL )  
DISTRICT NO. 4, )  
)  
HICKMAN MILLS CONSOLIDATED )  
SCHOOL DISTRICT NO. 1, )  
)  
SCHOOL DISTRICT OF THE CITY OF )  
INDEPENDENCE, )  
)  
LEE'S SUMMIT REORGANIZED SCHOOL )  
DISTRICT NO. 7 OF JACKSON COUNTY, )  
MISSOURI, )  
)  
LONE JACK CONSOLIDATED SCHOOL )  
DISTRICT NO. 6 OF JACKSON COUNTY, )  
MISSOURI, )  
)  
OAK GROVE REORGANIZED SCHOOL )  
DISTRICT NO. 6 OF JACKSON COUNTY, )  
MISSOURI, and )  
)  
RAYTOWN CONSOLIDATED SCHOOL )  
DISTRICT NO. 2 OF JACKSON COUNTY, )  
MISSOURI )  
)  
Plaintiffs, )  
)  
v. )  
)  
)

FILED-CIRCUIT COURT  
JACKSON CO., MO-1  
2009 AUG -6 PM 3:53

0916-CV24152

**DIVISION**  
Case No: **17**

**JACKSON COUNTY ASSESSOR, and** )  
**Serve:** )  
**Curtis Koons** )  
**Jackson County Courthouse** )  
**Assessment Department** )  
**415 E. 12<sup>th</sup> St. 1M** )  
**Kansas City, Missouri 64106** )  
**JACKSON COUNTY, MISSOURI** )  
**Serve:** )  
**Mike Sanders** )  
**415 E 12th St., 2nd Floor** )  
**Kansas City, Missouri 64106** )  
**Defendants.** )

**VERIFIED PETITION**

COME NOW Plaintiffs Blue Springs Reorganized School District No. 4 of Jackson County, Missouri; Center School District No. 58; Fort Osage Reorganized School District of Jackson County, Missouri; Grain Valley Reorganized School District No. 5 of Jackson County, Missouri; Hickman Mills Consolidated School District No. 1; School District of the City of Independence; Lee’s Summit Reorganized School District No. 7 of Jackson County, Missouri; Lone Jack Consolidated School District No. 6 of Jackson County, Missouri; Oak Grove Reorganized School District No. 6 of Jackson County, Missouri; and Raytown Consolidated School District No. 2 of Jackson County, Missouri (collectively “Plaintiffs”), and for their Verified Petition, state as follows:

**PARTIES, JURISDICTION, AND VENUE**

1. Blue Springs Reorganized School District R-4 of Jackson County, Missouri (“Blue Springs”) is a school district with a portion of its boundaries located in Jackson County in the State of Missouri.
2. Center School District No. 58 (“Center”) is a school district with a portion of its boundaries located in Jackson County in the State of Missouri.

3. Fort Osage Reorganized School District of Jackson County, Missouri (“Fort Osage”) is a school district with a portion of its boundaries located in Jackson County in the State of Missouri.

4. Grain Valley Reorganized School District No. 5 of Jackson County, Missouri (“Grain Valley”) is a school district with a portion of its boundaries located in Jackson County in the State of Missouri.

5. Hickman Mills Consolidated School District No. 1 (“Hickman Mills”) is a school district with a portion of its boundaries located in Jackson County in the State of Missouri.

6. School District of the City of Independence (“Independence”) is a school district with a portion of its boundaries located in Jackson County in the State of Missouri.

7. Lee’s Summit Reorganized School District No. 7 of Jackson County, Missouri (“Lee’s Summit”) is a school district with a portion of its boundaries located in Jackson County in the State of Missouri.

8. Lone Jack Consolidated School District No. 6 of Jackson County, Missouri (“Lone Jack”) is a school district with a portion of its boundaries located in Jackson County in the State of Missouri.

9. Oak Grove Reorganized School District No. 6 of Jackson County, Missouri (“Oak Grove”) is a school district with a portion of its boundaries located in Jackson County in the State of Missouri.

10. Raytown Consolidated School District No. 2 of Jackson County, Missouri (“Raytown”) is a school district with a portion of its boundaries located in Jackson County in the State of Missouri.

11. Curtis Koons is the Director of the Jackson County Assessment Department located at 415 E. 12<sup>th</sup> St., 1M; Kansas City, Missouri 64106 and is the Jackson County Assessor.

12. Defendant Jackson County is a county organized under the laws of the State of Missouri. Mike Sanders is the Executive of Jackson County located at 415 E 12th St., 2nd Floor, Kansas City, Missouri 64106.

13. This Court has jurisdiction over this matter because Plaintiffs are instrumentalities of the state charged with the effectual discharge of the General Assembly's constitutional mandate to establish and maintain free public schools, and as such have authority to prosecute actions required to protect and preserve school funds. Mo. Const. Art. V, § 1(a) (1945, as amended August 3, 1976).

14. Additionally, jurisdiction is proper because Plaintiffs seek to enforce their clear, unequivocal and specific right to receive state tax funds, which are derived from the assessed value of property pursuant to section 137.115, RSMo. RSMo § 163.031.

15. Venue is proper in this Court pursuant to section 508.010, RSMo.

### **FACTUAL BACKGROUND**

#### **Statutory Requirements for Tax Assessment in Jackson County**

16. The Jackson County Assessor (the "Assessor") is charged with annually listing all taxable real and tangible personal property in Jackson County in accordance with the laws of Missouri. RSMo § 137.115.

17. Section 137.115, RSMo requires the Assessor to annually assess all real property by determining the property's value as of January first of each odd-numbered year. The same value is entered in the following even-numbered year, except for new construction and property improvements.

18. Additionally, section 137.115, RSMo requires the Assessor to prepare and submit a two-year assessment maintenance plan on or before January first of the preceding odd-numbered year to the county governing body and the State Tax Commission of Missouri (the “State Tax Commission”) for their respective approval or modification. RSMo § 137.115.

19. To determine the assessed value of property, the Assessor must first determine the true value in money or market value of the property. True value in money may also be explained as the price the property would bring when offered for sale by a person who is willing to sell it, and the property is bought by a person who is willing to purchase it. RSMo § 137.115.

20. After the market value is determined, the Defendants assess property at a statutory percent of its market value as set forth in section 137.115, RSMo and summarized as follows:

a. All personal property is assessed at thirty-three and one-third percent (33 1/3%) of its market value;

b. Real property in subclass (1), residential property, is assessed at nineteen percent (19%) of its market value;

c. Real property in subclass (2), agricultural, is assessed at twelve percent (12%) of its market value;

d. Real property in subclass (3), utility, industrial, commercial, railroad, and other real property, is assessed at thirty-two percent (32%) of its market value;

e. Specific items of personal property constitute separate subclasses of tangible personal property are assessed at the percentage of market value enumerated in § 137.115.3.

RSMo §§ 137.115.1; 137.115.5; 137.016; Mo. Const. Art. X, §4(b).

21. After the Defendants have made “diligent efforts to ascertain all taxable property in his county,” then the Assessor must compile a list of all the real and tangible personal property taxable in the county in the assessor’s book. RSMo § 137.210.<sup>1</sup>

22. After the Defendants have assessed property and the assessor’s books have been corrected and adjusted according to Missouri law, then the County commission shall fix the rate of taxes. RSMo § 137.390.

23. Thereafter, pursuant to a statutory formula, state tax funds are distributed to the school districts. RSMo § 163.031.

24. After the tax assessment process in Jackson County is complete, the State Tax Commission engages in a ratio study to determine if Defendants faithfully discharged their duties as required by law.

25. If the State Tax Commission determines that the Jackson County tax assessment was out of compliance, after issuing a Preliminary Study and finalizing the study, the State Tax Commission may issue a compliance order that will be effective for the following tax reassessment cycle.

#### **Tax Assessment Procedure in Jackson County**

26. Pursuant to section 137.115, RSMo, the Assessor submitted the Jackson County’s 2008-2009 assessment maintenance plan (the “Plan”) to the State Tax Commission, which was approved on or around April 30, 2008. The Plan is attached as **Exhibit A**.

27. The Plan directs the Assessor to assess all taxable property in the county uniformly and at the statutorily required percentage of market value for the respective property.

Ex. A, at 2.

---

<sup>1</sup> Further statutory requirements of the assessor’s book are set forth in detail in sections 137.210 to 137.260 and sections 137.290 to 137.320, RSMo.

28. Market value is defined in the Plan as, “the most probable price in terms of money which a property will bring if exposed for sale on the open market for a reasonable length of time, providing there is a knowledgeable buyer and seller both aware of the uses to which a property is adapted and for which it is capable of being used. Used synonymously with True Value in Money.” Ex. A, at 8.

29. In the Report on Valuation and Assessment Procedures for Jackson County (“2002 Report”), Missouri, the State Tax Commission outlines the three valuation approaches that may be used by the Assessor to arrive at the market value of real property: (1) the cost approach; (2) the sales comparison approach; or (3) the income approach. The 2002 Report is attached as **Exhibit B**. Ex. B, at 10.

30. The sales comparison approach is the most appropriate approach for valuation of real residential property that includes single-family residences and vacant land. Ex. B, at 11-12.

31. The procedure for valuing property under the sales comparison approach is as follows:

- a. Collect and verify data;
- b. Analyze the market data to develop units of comparison and to select attributes for adjustment;
- c. Develop reasonable adjustments and apply the adjustments the comparable sales; and
- d. Analyze the adjusted sale prices to estimate the value of the subject property.

Ex. B, at 11-12.

32. As part of the process for the sales comparison approach, market data and transactions are gathered and verified from county sales questionnaires, deed letters, and county certificates of value. Ex. B, at 12.

### **The Use and Importance of Certificates of Value in Determining Market Value**

33. The State Tax Commission has the responsibility of inquiring into the Defendants' assessment methods. RSMo § 138.380(4).

34. As part of this responsibility, in 2001 the State Tax Commission conducted an investigation of assessment procedures in Jackson County to address "concerns regarding the accuracy and efficiency of Jackson County's property tax assessment program." Ex. B, at 3.

35. After the investigation, the State Tax Commission published its 2002 Report which outlines recommendations and requirements for the Jackson County Assessor. Ex. B.

36. The 2002 Report requires the Assessor to use appraisal practices that conform with the *Uniform Standards of Professional Appraisal Practices* ("USPAP"). Ex. B, at 8.

37. The 2002 Report noted the following important valuation tool missing from Jackson County's assessment procedure:

Sales information is the cornerstone of an assessment program designed to provide uniform and equitable assessments. A provision requiring a "Certificate of Value," that is, a statement of the sales price provided by the buyer of real estate before a deed could be recorded, would provide the assessor with just such market sales information. ***Jackson County, the only county in the state of its size without Certificate of Value***, is a charter county and, as such, possesses the authority to pass such a provision . . . . The sales information acquired as a result of the Certificate of Value requirement would greatly enhance the assessor's ability to establish values for property throughout the county, and, in turn, ***restore public faith in the accuracy of Jackson County assessments.***

Ex. B, at 5 (emphasis added).

38. The 2002 Report further determined that "the assessments for commercial and residential properties [in Jackson County] are below statutorily required levels." Exhibit B at 4.

39. As a result of the undervaluation, Jackson County and the State Tax Commission developed a biennial Assessment Maintenance Plan for Jackson County that included measures “to address problem assessment areas and to bring all values to acceptable levels.” Ex. B, at 4.

40. Furthermore, the State Tax Commission strongly recommended that the “*Jackson County Legislature immediately pass a Certificate of Value provision.*” Ex. B, at 5 (emphasis added).

41. As far back as 1996, Jackson County officials recognized the importance of using certificates of value in the assessment process. In 1996, the Jackson County Legislature passed Resolution Number 961366 which expressed “the intent of the Council to support the use of certificate of value as a means of reporting real estate transactions.” The Resolution further stated, “a certificate of value provides valuable information for assessing the value of county and city property.” A copy of the Resolution is attached as **Exhibit C**.

42. In 2003, Jackson County passed an Ordinance which requires a certificate of value to be filed with the Director of the Department of Records at the same time as any deed or other instrument providing for the transfer of title to real estate is recorded. Jackson County, Mo, Code ch. 90, § 9030.

43. The Ordinance further directs that the certificate of value “shall be transmitted to and retained by the Director of the Department of Assessment for reference.” Jackson County, Mo, Code ch. 90, § 9030.

44. Additionally, the State Tax Commission’s Annual Report of 2005, pursuant to its authority under section 138.380(4), RSMo, recommended to the General Assembly that it “develop statutory language mandating the use of statewide certificates of value.” The State Tax Commission’s Annual Report of 2005 (“2005 Report”) is attached as **Exhibit D**.

45. The 2005 Report further supports the use of certificates of value, providing “the most important tool for the assessor is the ability to secure critical market data accurately reflecting market behavior. Sales information is the cornerstone of an assessment program designed to provide uniform and equitable assessments.” Ex. D, at ¶ 1.

**The Jackson County Assessor’s Violation of Assessment Procedure and Missouri Law in Its 2009 Assessment**

46. Upon information and belief, Defendants did not properly utilize certificates of value in arriving at the market value of property in Jackson County.

47. As a result of Defendants’ failure to properly utilize certificates of value, the assessed value of property in Jackson County does not accurately reflect the market value of all taxable properties as required by Missouri law.

48. Each of the Plaintiffs have reviewed data within their boundaries provided to each school district by the Jackson County Assessor’s Office, which reflects the assessor’s failure to properly value real property pursuant to Missouri law. The following is a summary of Plaintiffs’ findings:

School District	Property	2008 Market Value	2009 Market Value	Sales Price	% Difference between Assessed and Sales Price
Blue Springs	Manor South Apartments; 1200 S. Highway 7	\$ 346,366	\$ 346,366	\$ 1,900,000 08/08/2007	-449%
Blue Springs	Residential House; 20808 E. 49 <sup>th</sup> Terr. Ct. S.	\$ 340,355	\$ 456,840	\$ 529,900 03/24/2008	-16%
Blue Springs	Residential House; 3400 S. Pink Hill Cir.	\$ 261,040	\$ 245,377	\$ 415,000 07/25/2007	-69%
Blue Springs	Residential House; 25410 Strode Rd.	\$ 143,674	\$ 135,054	\$ 425,000 08/14/2006	-215%
Blue Springs	Vacant lot	\$ 11	\$ 12	\$ 1,800 07/20/2006	-14900%
Fort Osage	2104 N Lazy	\$ 111,443	\$ 101,413	\$ 164,900	-63%

	Branch Rd.			11/20/2007	
Fort Osage	2120 N Lazy Branch Rd.	\$ 114,666	\$ 104,346	\$ 158,500 07/25/2008	-52%
Fort Osage	2015 N Elsea Smith Rd.	\$ 177,214	\$ 163,248	\$ 260,000 12/5/2008	-59%
Fort Osage	1211 N Elsea Smih Rd.	\$ 157,548	\$ 143,369	\$ 209,316 2/14/2008	-46%
Fort Osage	2209 N York Rd.	\$ 145,049	\$ 131,995	\$ 167,000 9/10/2007	-27%
Fort Osage	1913 N York Rd.	\$ 84,111	\$ 76,541	\$ 130,000 6/12/2008	-70%
Grain Valley	1011 Foxtail Dr.	\$ 199,980	\$ 187,982	\$ 285,000 07/31/2006	-52%
Grain Valley	1012 Ryan Rd.	\$ 171,463	\$ 161,175	\$ 229,900 08/14/2006	-43%
Grain Valley	923 Foxtail Dr.	\$ 138,183	\$ 129,892	\$ 159,000 10/30/2008	-22%
Grain Valley	1004 Shorthorn	\$ 123,233	\$ 115,839	\$ 130,000 130,000	-12%
Hickman Mills	7000 East Bannister Rd, KCMO, 64138	\$ 315,261	\$ 315,261	\$ 880,000 3/2/2009	-179%
Hickman Mills	9013 Old Santa Fe Road, KCMO, 64138	\$ 59,555	\$ 51,217	\$ 84,000 9/4/2008	-64%
Hickman Mills	9333 Blue Ridge Blvd., KCMO, 64138	\$ 120,953	\$ 130,750	\$ 199,000 3/6/2008	-52%
Hickman Mills	9254 Blue Ridge Blvd., KCMO, 64138	\$ 22,000	\$ 18,920	\$ 105,000 7/16/2007	-455%
Hickman Mills	9256 Blue Ridge Blvd., KCMO, 64138	\$ 17,000	\$ 14,620	\$ 105,000 7/16/2007	-618%
Hickman Mills	7217 East 88th Ter, Apt 101, KCMO, 64138	\$ 5,062,052	\$ 5,062,052	\$ 7,490,000 4/30/2007	-48%
Hickman Mills	9443 Bristol Ave, KCMO, 64138	\$ 75,746	\$ 65,142	\$ 120,000 4/12/2007	-84%
Hickman Mills	9436 Bristol Ave, KCMO, 64138	\$ 71,931	\$ 61,861	\$ 107,500 3/1/2007	-74%
Independence	1100 N. Noland Rd.	\$ 276,686		\$ 355,000 11/20/2007	
Independence	404 N. Noland Rd.		\$ 173,052	\$ 390,000 6/20/2008	-125%
Independence	3908 S. Noland Rd.		\$ 138,861	\$ 375,000 9/30/2008	-170%
Independence	521 E. Partridge		\$ 143,825	\$ 225,000 6/24/2008	-56%
Independence	1502 S. Pleasant		\$ 53,135	\$ 81,500 11/25/2008	-53%
Independence	1826 S. Remington	\$ 251,400	\$ 236,316	\$264,000 06/13/2005	-12%

