

MINUTES OF THE HOUSE COMMITTEE ON ASSESSMENT AND TAXATIONThe meeting was called to order by Representative Jim Braden at
Chairperson9:00 a.m./~~p.m.~~ on February 1, 1983 in room 519S of the Capitol.All members were present ~~except~~

Committee staff present:

Wayne Morris, Research Department
Tom Severn, Research Department
Don Hayward, Revisor of Statutes' Office
Nancy Wolff, Secretary to the Committee

Conferees appearing before the committee:

Mark Anson, City of Overland Park
E. A. Mosher, League of Kansas Municipalities

The meeting was called to order by the Chairman. The minutes of the meeting held on January 25, 1983, were approved as written.

Wayne Morris, of staff, gave a brief review of each of the three bills scheduled for hearing. HB 2016 relates to the tax lid which applies to cities and counties and would allow cities and counties to update the base year from 1969 or 1970 to 1981 or 1982 and subtract farm machinery and business aircraft valuations from the base year personal property valuation so that cities and counties do not lose taxing authority due to the farm machinery and business aircraft exemption.

The Chairman stated that he felt it was the interim committee's intent to have the lid based on the taxes "authorized" to be levied in the base year. The way the bill is drafted would have the lid based on the taxes actually levied in the base year. Tom Severn, of staff, agreed and stated that by allowing the lid to be based on those taxes authorized, it would discourage a taxing unit from levying to the maximum of authority to maintain that level of taxing authority, i.e., if you can levy five mills less than what is authorized you will still not lose that authority in subsequent years.

HB 2017 relates to the debt limitation for a taxing subdivision and is possibly needed to allow such taxing subdivisions to comply with the debt limitation statutes as they are currently written. The possibility exists that since farm machinery and business aircraft have been removed from the assessed valuation, the governing unit may exceed the legal limitation for debt. HB 2017 would allow the debt limitation to be adjusted to make up for the loss of farm machinery and business aircraft from the assessed valuation of a taxing subdivision.

HB 2020 is somewhat like HB 2016 except that it applies to those units of government which have a limitation in terms of mills.

Mark Anson appeared in support of this legislation. He represents the Cities of Overland Park, Prairie Village, Merriam and Westwood. He did state that he would urge the adoption of the amendment which E. A. Mosher of the League of Kansas Municipalities is presenting.

Ernie Mosher, League of Kansas Municipalities, appeared in support of the proposed legislation. He stated, however, that the League has been and ever shall be against the property tax lid as a matter of principle. He recommended that HB 2016 be amended so that the lid would be based on the amount of taxes authorized to be levied in the base year. Without this amendment he said it would create a severe hardship for a great many cities and counties.

Mr. Mosher then directed his remarks to HB 2017 and suggested that a different approach might be needed. (Attachment I) It was the feeling of the League that this legislation would be inconsistent with previous legislation and that this could be made a part of K.S.A. 79-5113 so that the calculations would be made the same way they are under the tax and tags law. He also stated that he wondered why both bonded indebtedness limitations are in the tax and tags law and suggested that perhaps it might

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ASSESSMENT AND TAXATION,
room 519-S, Statehouse, at 9:00 a.m./~~p.m.~~ on February 1, 1983

be better to have both adjustments, farm machinery and business aircraft as well as motor vehicles, placed in the bonded indebtedness limitation statutes.

The Chairman instructed staff to take under consideration Mr. Mosher's suggestions on House Bill 2017 pertaining to using the same procedure that is used under the tax and tags law for debt limitation and to also consider whether or not both calculations for bonded indebtedness limitations be taken out of the tax and tags law and put in the bonded indebtedness limitation statutes.

On House Bill 2020, Mr. Mosher stated that "in the aggregate" on line 25 would be appropriate when an aggregate levy limit is being used, but not when referring to funds with mill levy limitations. He suggested that the words "in the aggregate" on line 25 be stricken.

The meeting was adjourned.

~~79-5113. Determination of equalized tangible valuation of taxing subdivision for computation of limitation on bonded indebtedness and other purposes. Motor vehicles subject to taxation under the provisions of this act shall be valued in the year 1980 as provided in subsection (b) of K.S.A. 1979 Supp. 79-5102, but such vehicles shall not be placed on the tax roll for taxation purposes. The assessed tangible valuation of such vehicles in the year 1980 shall be added to the equalized assessed tangible valuation on the tax rolls of each taxing subdivision on November 1, 1980, and the resulting total shall constitute the 1980 equalized tangible valuation of the taxing subdivision for the computation of limitations upon bonded indebtedness and for all other purposes except the levying of taxes and the computation of limitations thereon.~~

3
In the year 1981 and each year thereafter the county clerk shall add the taxable value of each motor vehicle as shown on the application for registration, or as otherwise established in the manner prescribed by K.S.A. 1979 Supp. 79-5105 for the purpose of computing the tax upon such motor vehicle, to the equalized assessed tangible valuation on the tax roll of each taxing subdivision in which such motor vehicle has acquired a tax situs, and the resulting total shall constitute the equalized assessed tangible valuation of the taxing subdivision for the computation of limitations upon bonded indebtedness and for all other purposes except the levying of taxes and the computation of limitations thereon.

for the previous year

History: L. 1979, ch. 309, § 13; Jan. 1, 1980.

In addition, the county clerk shall add the 1982 assessed valuation of any farm machinery and equipment and business aircraft located within such taxing subdivision which has been exempted from taxation.