

MINUTES OF THE HOUSE COMMITTEE ON ASSESSMENT & TAXATION

The meeting was called to order by Representative Jim Braden at
Chairperson

9:00 a.m./~~p.m.~~ on March 22, 1983 in room 519S of the Capitol.

All members were present except: Representative L. Fry, who was excused.

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:

Paul Fleener, Kansas Farm Bureau
Richard Schodorf, Kansas Small Business Trust
John Meetz, Kansas Livestock Association
Steve Wiechman, Kansas Association of Counties
Ron Gaches, Kansas Association of Commerce & Industry
Tim Underwood, Kansas Association of Realtors
Janet Stubbs, Kansas Home Builders Association
John Koepke, Kansas Association of School Boards
Gary Smith, Shawnee County Appraiser

The meeting was called to order by the Chairman.

Paul Fleener, Kansas Farm Bureau, presented a copy of Senate Bill 275, with suggested amendments as suggested by Kansas Farm Bureau. (Attachment I)

Richard Schodorf, representing the Kansas Small Business Trust, spoke in support of Senate Bill 275. (Attachment II) He stated that under Kansas law, all property is to be taxed at a uniform and equal rate, except for that property which has been exempted by law. As the system currently is structured, property is not being taxed in an equitable manner.

John Meetz, Kansas Livestock Association, testified, with reservations, on the reappraisal legislation. (Attachment III)

Steve Wiechman, Kansas Association of Counties, presented information to the committee on Senate Bill 275. (Attachment IV)

Ron Gaches, Kansas Association of Commerce and Industry, appeared as a proponent of Senate Bill 275 and presented a copy of the Policy Note from KACI relative to reappraisal. (Attachment V)

Tim Underwood, Kansas Association of Realtors, spoke in favor of Senate Bill 275.

Janet Stubbs, spoke in support of Senate Bill 275. She stated that the position of the Kansas Home Builders Association has not changed since the Association supported Senate Bill 27 of the 1979 session.

John W. Koepke, Associate Executive Director of the Kansas Association of School Boards, spoke in support of Senate Bill 275. He also gave testimony on some of the concerns of the Association. (Attachment VI)

Gary Smith, President of the Kansas County Appraisers Association, stated that the Kansas County Appraisers Association will continue to actively support reappraisal of all real estate. (Attachment VII)

The meeting was adjourned.

DATE: March 22, 1987

page 1 of 2

GUEST REGISTER

HOUSE

ASSESSMENT & TAXATION
COMMITTEE

NAME	ORGANIZATION	ADDRESS
Allen Oakleaf	Kans. Small Bus. Trust	Wichita
Steve Cox	" " " "	WICHITA
Jim Underwood	KAR	Lawrence
Janet Stubbs	ABAK	Topeka
Ron Gaches	KACI	Topeka
Paul E. Fleener	Kansas Farm Bureau	Manhattan
D. Furnas	Chamber	Wichita
Ruth Wilkins	Ind. Sect	Topeka
John Meier	KLA	Topeka
John Koehn	KASB	Topeka
Berney Sullivan	Energy Resource Group	Wichita
Chris Wheelen	Legis. Policy Group	Topeka
TIM Hageman	" " "	LIAKIN
Don Boyer	EKOGA	Topeka
WALTER DUNN	✓	Topeka
Naomi B. Hall	Legislat. Assistant	Topeka
Pat Lubell	Kansas Railroad Assn.	Topeka
Kenneth Wedel	Ks. Natural Resource Council	Topeka
Greg Myers	Cap - govern	"
Beth James	API	"
John Nicholson	Kansas Small Bus. Trust	Salina
Richard L. Scholard	Kansas Small Bus. Trust	Wichita
BRYAN WHITEHEAD	BRAC	Topeka

Cont. page 1 of 2

SENATE BILL No. 275

By Committee on Assessment and Taxation

2-14

0017 AN ACT relating to the taxation of tangible property; mandating a
 0018 program of statewide reappraisal of real property; providing
 0019 for the administration of such program and duties of certain
 0020 state and county officers; prescribing limitations upon the levy
 0021 of taxes upon tangible property by taxing districts after imple-
 0022 mentation of valuations determined under such reappraisal
 0023 program and providing for exemptions therefrom; amending
 0024 K.S.A. 79-1412a and 79-1602 and K.S.A. 1982 Supp. 79-1460
 0025 and repealing the existing sections; also repealing K.S.A. 79-
 0026 1437b and 79-1440 and K.S.A. 1982 Supp. 79-1452 to 79-1454,
 0027 inclusive.

0028 *Be it enacted by the Legislature of the State of Kansas:*

0029 New Section 1. (a) The director of property valuation is
 0030 hereby directed and empowered to administer and supervise a
 0031 statewide program of reappraisal of all real property located
 0032 within the state. Except as otherwise authorized by K.S.A. 19-428,
 0033 each county shall comprise a separate appraisal district under
 0034 such program, and the county appraiser shall have the duty of
 0035 reappraising all of the real property in the county pursuant to the
 0036 plan approved under subsection (b) in accordance with guide-
 0037 lines and timetables prescribed by the director of property valu-
 0038 ation and of updating the same on an annual basis. In the case of
 0039 multi-county appraisal districts, the district appraiser shall have
 0040 the duty of reappraising all of the real property in each of the
 0041 counties comprising the district pursuant to such guidelines and
 0042 timetables and of updating the same on an annual basis. Follow-
 0043 ing completion of the statewide program of reappraisal, every
 0044 parcel of real property shall be actually viewed and inspected by
 0045 the county or district appraiser once every four years.

0046 (b)(1) The director shall submit to the legislature on the first

Statement to the
House Committee on Assessment & Taxation

RE: Senate Bill 275
March 22, 1983
Topeka, Kansas

by
John K. Blythe, Assistant Director
Public Affairs Division
Kansas Farm Bureau

3-22-83

ATTACHMENT I

Atch. I

0047 day of its regular session in 1984, the program of statewide
0048 reappraisal for its approval. If not disapproved by a concurrent
0049 resolution so providing within 45 days after its submission, the
0050 program shall be deemed approved. If such program is not
0051 approved, the director shall submit an amended program to the
0052 legislature within 10 days after the date of adoption of the
0053 resolution so disapproving. (2) Each county or district appraiser
0054 shall submit a plan for the reappraisal of property within the
0055 county or district pursuant to this act to the director of property
0056 valuation, not later than July 15, 1984. Such plan shall include
0057 the schedule for the employment of personnel, acquisition of data
0058 processing equipment and programs and the level of financing
0059 made available to pay the cost of such program. If the plan is
0060 approved by the director, the county or district appraiser shall
0061 proceed to implement the plan as submitted. If such plan is not
0062 approved by the director, the county may petition the state board
0063 of tax appeals for a review of the plan or may submit an amended
0064 plan to the director. If the state board of tax appeals approves the
0065 plan or the director approves the amended plan, the county or
0066 district appraiser shall proceed to implement the plan as submit-
0067 ted. If the director does not approve the amended plan, the county
0068 shall petition the board of tax appeals for a review of the plan and
0069 if the board approves such amended plan the county or district
0070 appraiser shall implement the plan as amended. If the state board
0071 does not approve the plan the board shall fix a time within which
0072 the county or district may submit an amended plan for approval.
0073 If no amended plan is submitted and approved within the time
0074 prescribed by the board, the board shall order the division of
0075 property valuation to conduct the reappraisal of property within
0076 the county or district. If the reappraisal is conducted by the
0077 division of property valuation, the director shall certify the
0078 amount of the cost incurred by the division in the conduct of the
0079 reappraisal to the state treasurer who shall withhold such amount
0080 from distributions of the county's share of moneys from the
0081 county and city revenue sharing fund and the local ad valorem tax
0082 reduction fund and credit the same to the general fund of the
0083 state.

0084 (c) Compilation of data for the initial preparation or updating
 0085 of inventories for each parcel of real property and entry thereof
 0086 into the state computer system as provided for in section 2 of this
 0087 act shall be completed not later than January 1, 1988. Whenever
 0088 the director determines that reappraisal of all real property within
 0089 a county is complete, notification thereof shall be given to the
 0090 governor and to the state board of tax appeals.

0091 Valuations shall be established for each parcel of real property
 0092 at its fair market value in money in accordance with the provi-
 0093 sions of K.S.A. 1982 Supp. 79-503a.

0094 ~~In addition thereto valuations~~ shall be established for each
 0095 parcel of land devoted to agricultural use upon the basis of the
 0096 agricultural income or productivity attributable to the inherent
 0097 capabilities of such land in its current usage under a degree of
 0098 management reflecting median production levels in the manner
 0099 hereinafter provided. ~~A classification~~ system for all land devoted
 0100 to agricultural use shall be adopted by the director of property
 0101 valuation using criteria established by the United States depart-
 0102 ment of agriculture soil conservation service. Productivity of land
 0103 devoted to agricultural use shall be determined for all land
 0104 classes within each county or homogeneous region based on an
 0105 average of the eight calendar years immediately preceding the
 0106 calendar year which immediately precedes the year of valuation,
 0107 at a degree of management reflecting median production levels.
 0108 The director of property valuation shall determine median pro-
 0109 duction levels based on information available from state and
 0110 federal crop and livestock reporting services, the soil conserva-
 0111 tion service, and any other sources of data that the director
 0112 considers appropriate.

0113 The share of net income from land in the various land classes
 0114 within each county or homogeneous region which is normally
 0115 received by the landlord shall be used as the basis for determin-
 0116 ing agricultural income for all land devoted to agricultural use
 0117 except pasture or rangeland. The net income normally received
 8 by the landlord from such land shall be determined by deducting
 0119 expenses normally incurred by the landlord from the share of the
 0120 gross income normally received by the landlord. The net rental

*, other than land devoted to agricultural
 use,*

Valuations

An identification

0121 income normally received by the landlord from pasture or range-
 0122 land within each county or homogeneous region shall be used as
 0123 the basis for determining agricultural income from such land.
 0124 The net rental income from pasture and rangeland which is
 0125 normally received by the landlord shall be determined by de-
 0126 ducting expenses normally incurred from the gross income nor-
 0127 mally received by the landlord. Commodity prices and pasture
 0128 and rangeland rental rates and expenses shall be based on an
 0129 average of the eight calendar years immediately preceding the
 0130 calendar year which immediately precedes the year of valuation.
 0131 Net income for every land class within each county or homoge-
 0132 neous region shall be capitalized at a ~~rate or rates prescribed by~~
 0133 ~~the legislature.~~

0134 Based on the foregoing procedures the director of property
 0135 valuation shall make an annual determination of the value of land
 0136 within each of the various classes of land devoted to agricultural
 0137 use within each county or homogeneous region and furnish the
 0138 same to the several county appraisers who shall classify such land
 0139 according to its current usage and apply the value applicable to
 0140 such class of land according to the valuation schedules prepared
 0141 and adopted by the director of property valuation under the
 0142 provisions of this section.

0143 For the purpose of the foregoing provisions of this section the
 0144 phrase "land devoted to agricultural use" shall mean and include
 0145 land, regardless of whether it is located in the unincorporated
 0146 area of the county or within the corporate limits of a city, which is
 0147 devoted to the production of plants, animals or horticultural
 0148 products, including but not limited to: Forages; grains and feed
 0149 crops; dairy animals and dairy products; poultry and poultry
 0150 products; beef cattle, sheep, swine and horses; bees and apiary
 0151 products; trees and forest products; fruits, nuts, and berries;
 0152 vegetables; nursery, floral, ornamental and greenhouse products.
 0153 Land devoted to agricultural use shall not include those lands
 0154 which are used for recreational purposes, suburban residential
 0155 acreages, rural home sites or farm home sites and yard plots
 0156 whose primary function is for residential or recreational purposes
 0157 even though such properties may produce or maintain some of

common

based on economic, interest rate and money market factors. The capitalization rate that is used to determine the valuation of agricultural land shall be the same as the average rate used to determine the valuation of state assessed utility property.

those plants or animals listed in the foregoing definition.

The term "expenses" shall mean those expenses typically incurred in producing the plants, animals and horticultural products described above including management fees, production costs, maintenance and depreciation of fences, irrigation wells, irrigation laterals and real estate taxes, but the term shall not include those expenses incurred in providing temporary or permanent buildings used in the production of such plants, animals and horticultural products.

The valuations established for tangible property under the program of statewide reappraisal shall not be applied by any county as a basis for the levy of taxes until expressly authorized to do so by legislative enactment. The provisions of this act shall not be construed to conflict with any other provisions of law relating to the appraisal of tangible property for taxation purposes including the equalization processes of the county and state board of tax appeals.

New Sec. 2. (a) The secretary of revenue shall provide for the development of a comprehensive computer program providing for the processing of such data on tangible property located in this state as deemed necessary for the effective and efficient administration of the appraisal, assessment and equalization laws of the state of Kansas, methods for updating such data on an annual basis, and such other functions as determined necessary for the efficient administration of the property tax laws of this state, including but not limited to the preparation and publishing of annual statistical reports and ratio studies.

(b) There is hereby established an advisory committee to confer with and assist the secretary of revenue in the performance of the duties prescribed in subsection (a). Such committee shall be composed of 15 members to be appointed as follows: Three members shall be appointed by the Kansas association of counties, such members to have expertise in data processing, three members shall be appointed by the Kansas association of county commissioners, three members shall be appointed by the Kansas appraisers association and nine members shall be appointed by the secretary of revenue. The director of property valuation shall

appraisals every four years

*15
Two
two
two
five*

Governor. One member will be representative of KACI (Kansas Association of Commerce & Industry) and appointed by the Governor from two nominations submitted by the KACI. One member will be representative of labor and appointed by the Governor from two nominations submitted by the Kansas Federation of Labor.

One member will be representative of Agriculture and appointed by the Governor from two nominations submitted by The Committee of Kansas Farm organizations. Two additional persons will be appointed by the Governor representing the public. Two members will be appointed by the President of the Senate; two members will be appointed by the Speaker of the House. All terms will be for two years.

ATTORNEYS AT LAW
COLUMBIAN BUILDING - 216 WEST MURDOCK
WICHITA, KANSAS 67203
(316) 265-0817

JOHN TERRY MOORE
DAVID MICHAEL RAPP
RICHARD L. SCHODORF

March 22, 1983

MT. HOPE OFFICE
POST OFFICE BOX 125
MT. HOPE, KANSAS 67108
(316) 667-2627

Members of Legislative
Committee on Taxation

Re: Written Statement of Comments By
Representatives of Kansas Small
Business Trust Regarding Reappraisal
and Classification of Personal Property
in the State of Kansas

The current Legislature is once again considering legisla-
tion which would help rectify the problems which beset a property
tax system which illegally discriminates against the small
businessman who uses personal property in an attempt to earn a
living. Now, after having studied the problems besetting our
tax system, our Legislators find themselves in the position
where they must make difficult decisions in order to begin the
process of straightening out this terribly complicated tax
mess. The question is DO OUR LEGISLATORS HAVE THE COURAGE TO
MAKE THE DIFFICULT DECISIONS OR WILL THEY ALLOW THE SYSTEM TO
CONTINUE TO DETERIORATE AND UNJUSTLY PENALIZE CERTAIN SEGMENTS
OF THE KANSAS BUSINESS COMMUNITY?

Under Kansas Law, all property, except that which has been
exempted by Statute, is to be taxed at a uniform and equal
rate. Kansas Law further provides that all non-exempt unclas-
sified property is to be taxed at thirty percent (30%) of its
fair market value. However, only personal property receives
the full brunt of taxation under our law. In fact, a new
system was developed by the Kansas Department of Revenue to
insure that all business personal property will be reappraised
every year at its fair market value and then assessed at thirty
percent (30%) thereof. While business personal property is
paying its fair share of the tax load, much of the business
real property is paying only a small fraction of its fair
share. In Sedgwick County Kansas, real property is taxed at
1964 level prices and we all know what inflation has done to
prices since 1964.

The Kansas Small Business Trust is an organization of over
100 small businesses statewide formed in an effort to encourage
the implementation of a constitutional and fair property tax
system in the State of Kansas. The members of the Kansas Small
Business Trust wish to pay their fair share of taxes to help
fund the necessary services of the great State of Kansas.
However, the members do not feel that any system should be
allowed to continue to exist which unfairly discriminates
against various sectors of our society. Toward this end, the

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ATTACHMENT II

Members of Legislative
Committee on Taxation
March 22, 1983
Page Two

Trust has filed a lawsuit against the State of Kansas seeking to have the present system declared unconstitutional and the ordering of reappraisal statewide. An action of this nature is not unprecedented. The State of Missouri recently adopted a new property tax system which was a result, in part, of litigation which was filed against the State of Missouri. In talking with sources from Missouri we have been told that they wish the Legislature had taken the time and initiative to deal with the problem earlier because the solution which was forced upon the state brought as many problems as it solved.

Our organization favors the passage of the reappraisal legislation previously considered and passed by the Kansas Senate. If such legislation were passed by the Kansas House upon the signing of the bill we would immediately drop our lawsuit. Under this legislation the Legislature would have at least four (4) additional years to provide for a proper classification system before the reappraised values would be added to the tax rolls. And even then, it would take a vote of the Legislature before the fair market values for the real property would be finally put into place. We believe that this would present sufficient safeguards to further allow the Legislative system to refine and mold a competent and fair tax system for the citizens of the State of Kansas. The ball must start rolling with reappraisal.

Opponents of the reappraisal bill suggest that enactment of reappraisal legislation will bankrupt the farmers and homeowners of our State and that a classification bill is needed before reappraisal can begin. It is the position of the members of our association that it would be much more logical to set the classification amounts after the Legislators were aware of the reappraised figures and could determine the amount of tax that each sector of our society should pay.

We sincerely hope the members of the Committee and the members of the Kansas House of Representatives have the courage to begin dealing with the tax problems of the citizens of our state.

Sincerely yours,

Richard L. Schodorf
for the Kansas Small
Business Trust

RLS/bkb

1. Appear with Proponents or Opponents
2. Basically 275 is a good Product
 - A. Reservations on State Computer
 - B. Hack of Cap Rate on Use Value
 1. Leg will need to give direction
3. KLA still opposes reappraisal until ~~the~~ something is done to
 - A. address the Tax Shifts to Ag land and Residential Proper
 - B. Also ~~exempting~~ the problem of livestock and other P.P. class
4. One solution might be to
 - A. Exempt all PP
 - B. Use Value for Ag land
 - C. One Residential Class Assessed Separately
 - D. Assess all other Property at Same Rate
5. ~~Then~~ Reappraisal of all Real Property would be in order and Kansas could move from the 19th century of Property Taxation to the 20th Century.
6. Kansas could be a leader instead of a follower. in Taxation.
7. Also shift reliance for local Gov. to Non Property Tax Sources.
8. Summary

Kansas Association of Counties

Serving Kansas Counties

Suite D, 112 West Seventh Street, Topeka, Kansas 66603

Phone 913 233-2271

March 22, 1983

HOUSE ASSESSMENT AND TAXATION COMMITTEE Senate Bill 275

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

I wish to express to you, on behalf of all County Governments, appreciation for being able to provide input and be able to appear before you today on Senate Bill 275.

The Kansas Association of Counties was privileged together with the County Commissioners, County Appraisers and a former County Clerk, now Commissioner, to work with a Senate Special Committee in an effort to reach recommendations which, for the most part, have been adapted into SB 275.

Before the Association ever made any proposal, a Special Committee of County Officials, working together, was formed to address the issue of reappraisal. We created certain goals that the counties considered as priorities for the development of a reappraisal plan.

The Concerns of the County in the Working Committee were:

1. To assure County Involvement in Reappraisal
2. To address a Maintenance Program with Mandatory Compliance Requirements.
3. To provide for alternate reappraisal authority in event of non-compliance by County.
4. To provide for data gathering and maintenance through computer programs.
5. To provide system of compliance and non-compliance.

Our conclusions were in part adopted with the introduction of SB 275. We concluded that county participation in the reappraisal process under the guides and requirements of the Director of Property Valuation was essential for Association support.

It was further concluded that the Association bound itself by conference action and such action must be followed. The Association on the 16th day of November, 1982, developed what they believed to be common aims and purposes in improving local government. Position Statement found in Paragraph 10 and 11 is quoted:

"10. STATEWIDE REAPPRAISAL -- We strongly urge counties to continue efforts to maintain property values at an equalized level with state assessed property and generally oppose a reappraisal directed and administered by the State."

"11. COMPUTERIZED ASSESSMENT ROLLS -- We strongly oppose the installation, usage and control of a centralized state computer system of assessment rolls."

New Sec. 2. (b) provides the means by which a working system can be developed with both County and State input. Many are concerned that a Centralized Computer System would be the first step in having appraisals done by the State without local input. We believe that there are methods that can be employed to protect record integrity without eliminating the ability to gather and analyze. The Committee contemplated in Section 2 will be able to deal with this concern.

Counties with computer capabilities want to retain those computer systems to control their tax records. These same counties are willing to cooperate in a Comprehensive Computer Program and system. It is important that you note the difference between a Centralized Computer System and a Comprehensive Computer Program.

We urge you to consider other options with regard to a centralized computer oriented government. Counties want to retain their courthouses. A centralized computer may well be the first step in making county government history. So that there is no confusion, the Association did communicate to the sub-committee in the Senate and the Senate Committee that the Association was bound by conference action. We indicated that this Association would express its concern and desire not to have a Centralized Computer System.

There will be unforeseen problems and, if they occur, there is no choice but to address them. It appears that SB 275, is the best available means to get on with the task at hand. Your favorable consideration of SB 275 will be appreciated.

If there are any questions, I will be happy to attempt to address them.

Respectfully

Steven R. Wiechman

Report on Assessment Practices and Equalization

As Endorsed by Policy TF-7
(last amended-August 1981)

I. ASSESSMENT

A. Assessment Responsibility

1. The County shall be the primary unit for valuation and assessment of all local real and personal property for tax purposes.
2. The County Appraiser shall determine the "value" of all local personalty and realty according to recognized appraisal standards and according to the several rules, regulations, manuals, forms, etc., as may from time to time be promulgated by the Director of Property Valuation.
3. The state shall remain the appropriate unit for valuation and assessment of public utilities.
4. The Director of Property Valuation shall determine the "value" of all state-assessed properties according to recognized appraisal standards.

B. Assessment Level

1. To comply with the constitutional mandate for "a uniform and equal rate of assessment and taxation" the statutory provision for appraisal of all taxable property at its market value should be continued.
2. To protect all taxpayers from assessment discrimination every effort must be made to insure that all property is assessed at 30% of its full value. Anything less than this for some taxpayers, results in a discriminating burden for other taxpayers.
3. The state sales-assessment ratio study is a valuable tool in achieving assessment uniformity. To make the sales-assessment ratio study a more useful tool in the equalization process, the quality of the study should be improved.

ATTACHMENT V

3-22-83

Report on Assessment Practices and Equalization (Con't.)

II. EQUALIZATION

A. County Equalization

1. Boards of County Commissioners have historically failed to perform the equalization function locally. For this reason a new county board of equalization should be established to be composed of one member designated by the Board of County Commissioners, one member designated by mayors of cities within the county, and one member designated by the presiding officers of unified school districts in the county. The members so designated shall select two additional members. All members of the county board of equalization shall be residents of the county and shall hold no other elective or appointive office.
2. Legislation should be enacted providing penalties for failure to equalize such as withholding of state shared revenues.

B. State Equalization

1. The Director of Property Valuation shall have the final responsibility and function of equalizing at the state level. Appeals of equalization orders shall remain within the jurisdiction of the State Board of Tax Appeals.
2. To protect all taxpayers from assessment discrimination every effort must be made to insure that all property is assessed uniformly. Anything less than this for some taxpayers, results in a discriminating burden for other taxpayers.

Present statutes should be amended whenever necessary to compel the Director of Property Valuation to perform the function of equalization at the state level to insure that all property is assessed uniformly.

C. Tax Court

1. Consideration should be given to the establishment of a state Tax Court as a part of the state's judicial structure containing a small claims court patterned after the Model State Tax Court Act.

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS



5401 S. W. 7th Avenue Topeka, Kansas 66606
913-273-3600

Testimony on S.B. 275
Before the
House Assessment and Taxation Committee
by
John W. Koepke, Associate Executive Director
Kansas Association of School Boards

March 22, 1983

Mr. Chairman and members of the Committee, we appreciate the opportunity to present the concerns of our member boards of education on the subject of reappraisal. Perhaps no topic causes greater concern among school board members than the specter of an immediate court-ordered reappraisal. We believe that the facts are clear. Present assessment practices in Kansas counties have resulted in tremendous variations in valuations of property, both between classes and within classes of property.

We believe that the success of any tax source depends on taxpayer acceptance of the relative fairness of the tax. Such cannot obviously be said presently of the property tax in Kansas. It is the perception of unfairness, more than any other single factor, which also causes resentment of the school finance formula in our state. If we expect the populace to continue to support adequate funding of public education in Kansas, something must be done to bring fairness or at least perceived fairness to the tax system which provides that funding.

An essential first step in that process is a statewide reappraisal of all property, such as that envisioned by S.B. 275. We are not certain, however, that a court will give us the five years to conduct that reappraisal suggested in

this bill. Certainly, once those reappraised values have been obtained, some mechanism must be developed to keep those values updated and current. We must resolve never again to allow ourselves to be placed in our present predicament.

Also, our members believe that once we have those reappraised values, some mechanism must be used to mitigate the tremendous tax shifts which would occur between classes of property if those values were used for levying taxes. After studying the issue extensively, our members have expressed overwhelming support for the idea of a constitutional amendment which would classify property values. We hope that this committee will give serious consideration to endorsing such an amendment in conjunction with this reappraisal study.

We believe that this issue is urgent, Mr. Chairman. It has, in our members minds, greater ramifications for the long term future of funding schools than any other single factor. The problems of reappraisal and classification have been studied endlessly. It is time for action. We appreciate the opportunity to express the views of our members.

KANSAS COUNTY APPRAISERS ASSOCIATION

EXECUTIVE COMMITTEE OFFICERS

March 21, 1983

GARY M. SMITH, CKA-ASA
President
Shawnee County Courthouse
Room 102
Topeka, Kansas 66603

Jim Braden, Chairman
Members House Assessment and Taxation Committee

Dear Members,

DON GORDON, CKA
President Elect
Douglas County Courthouse
Lawrence, Kansas 66044

The Kansas County Appraisers Association has in the past supported a general reappraisal of all real property in the state of Kansas.

ROBERT GARDNER, CKA
Vice President
Wyandotte County Courthouse
Kansas City, Kansas 66101

The exemption request by special interest are caused in many cases by the inequity which exists between real property assessments and other classes of property. These political pressures and exemption appeals will continue as long as the disparity between personel and real estate assessment exist.

ANN ESLICK, CKA
Immediate Past President
Grant County Courthouse
Ulysses, Kansas 67880

The Kansas County Appraisers Association will continue to actively support reappraisal of all real estate.

PAULA MOEGE, CKA
Secretary-Treasurer
Shawnee County Courthouse
Topeka, Kansas 66603

As strongly as we support the reappraisal we are opposed to the Comprehensive Computer Program and its implied State Appraisal Department, which may generate appraisal values from the State Office Building.

EXECUTIVE COMMITTEE BOARD MEMBERS

TERRY V. BROWN, CKA
Montgomery County Courthouse
Independence, Kansas 67301

I have been told this would never happen, but I have not heard testimony before either House or Senate Committees which spell out the plan or program invisioned by the Property Valuation Department. The Proposed program, Senate Bill #275, includes personel property and real property assessments.

SAMUEL SCHMIDT, CKA
Riley County Courthouse
Manhattan, Kansas 66502

We will concede that total state control is one method to assure compliance by counties of equal assessments, it would also be the most expensive ~~service~~ for the State.

CHARLES (BRAD) WELSH
Kearny County Courthouse
Lakin, Kansas 67860

Professional Designation



Certified Kansas Appraiser

Affiliation



International Association of Assessing Officers

Affiliation



Kansas Official Council

Affiliation



North Central Regional Association of Assessing Officers

3-22-83

ATTACHMENT VII

The Comprehensive Computer Program, with two terminals and a printer in each county, will supply the Appraiser only with access to a computer, leaving the Clerk, Treasurer, and possibly an auditor with no computerized information.

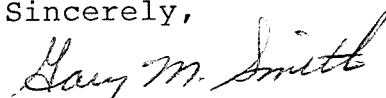
As an alternative, would terminology which requires each county be supplied a computer program (at county cost) which would supply the necessary information to the Property Valuation Department by (1) direct input, (2) tape or (3) on line with the state computer, which system would generate the statistical data necessary to insure compliance by the counties of equalized values.

With this system a county would surely see the advantage of purchasing a computer to supply all information to all departments.

As appraisers we all agree the Director of Property Valuation Department needs the necessary tools to assure the people of Kansas that the cost of full general appraisal will not be necessary again, however, instantaneous updating is far to costly.

We stand ready to assist you in any way we can.

Sincerely,



Gary M. Smith, CKA ASA
KCAA President

GMS/gc