

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by Chairman Paul "Bud" Burke at
Chairperson

4:15 ~~xxx~~/p.m. on March 23, 1983 in room 531-N of the Capitol.

All members were present ~~except~~:

Committee staff present: Wayne Morris, Research Department
Tom Severn, Research Department
Don Hayward, Revisor's Office

Conferees appearing before the committee:

The committee continued considering classification. The chairman called on Wayne Morris who explained: 1) a three page summary for each county showing the estimated tangible personal property taxes other than for farm machinery and oil and gas producing property, based on the same data as last year (Attachment #1); 2) the revised computer printout from the 1981 property tax survey, showing the assessment ratios for 1981 and the ratios that are outlined in SCR 1619A (Attachment #2); and 3) a sheet showing the changes in percentage of total property taxes paid that would be borne by major classifications of property if the uniform and equal mandate were attained, and as shown with personal property exempt in SCR 1619A (Attachment #3) (Loan copies of the complete computer printout by counties are available from the Research Department.)

The chairman noted that we are looking at over \$200 million in personal property taxes which would be lost with the exemption of personal property, and we will pick up \$176 million with the 1¢ sales tax. The motion by Senator Ehrlich was to delete all personal property except oil and gas from the property tax. The intent was to use a 1¢ sales tax and spread the money raised back to the counties to offset the loss of personal property tax.

Senator Kerr expressed concern with this because many older citizens have no personal property to be exempt but are still needing to buy things. Several members of the committee expressed concern with the kinds of shifts that would be created with this motion.

The chairman asked for a vote on the motion to exempt personal property except oil and gas from the property tax. The motion failed to pass.

The chairman asked about the possibility of waiting until the reappraisal process is over and then through some mechanism applying the valuation and putting this in the constitution. Arden Ensley, Revisor, said he believed this could be done and is working on it now.

Senator Kerr inquired if there is interest in seeing if we can pass an "open ended" classification bill by constitutional amendment. Would it be possible to delegate some future account once reappraisal is complete and the Governor certifies, to apply the valuation constitutionally so the legislature can't come in and change the numbers.

Senator Thiessen made a conceptual motion to exclude farm trucks from Class 2, (C) and place in Class 2, (A) under motor vehicles, changing the assessment value percentage from 30% to 15%. Senator Montgomery seconded the motion and the motion passed.

The committee discussed how it might be possible to "lock in" an open ended classification amendment, the large shifts by the various classes of property, and the problem with determining fair market value.

The chairman adjourned the meeting at 5:40 p.m. The committee will meet March 24 on adjournment of the Senate.

ESTIMATED 1981 TANGIBLE PERSONAL PROPERTY TAXES
OTHER THAN FOR FARM MACHINERY AND OIL
AND GAS PRODUCING PROPERTY BY COUNTY

County	Total 1981 Property Tax on Tangible Personal Property	Estimated 1981 Property Tax on Farm Machinery	Estimated 1981 Property Tax on Oil and Gas Producing Property	Estimated 1981 Tax on Other Tangible Personal Property
Allen	\$ 2,486,420	\$ 286,978	\$ 409,755	\$ 1,789,687
Anderson	1,046,681	332,779	220,299	493,603
Atchison	1,628,549	320,285	—	1,308,264
Barber	3,642,283	271,157	2,130,464	1,240,662
Barton	8,648,084	403,783	5,424,712	2,819,589
Bourbon	1,692,140	259,624	99,237	1,333,279
Brown	1,291,382	640,632	13,400	637,350
Butler	7,256,050	325,716	3,565,926	3,364,408
Chase	479,406	104,243	77,402	297,761
Chautauqua	1,246,126	77,717	728,492	439,917
Cherokee	1,156,899	320,745	—	836,154
Cheyenne	867,754	358,488	98,703	410,563
Clark	1,835,330	104,866	1,462,149	268,315
Clay	1,219,355	516,986	—	702,369
Cloud	1,390,498	486,387	—	904,111
Coffey	969,088	235,283	241,608	492,197
Comanche	1,795,341	137,738	1,194,674	462,929
Cowley	6,153,076	346,343	2,882,680	2,924,053
Crawford	2,603,968	266,111	22,271	2,315,586
Decatur	1,362,388	309,520	597,644	455,224
Dickinson	1,843,413	604,083	43,161	1,196,169
Doniphan	1,625,283	573,740	—	1,051,543
Douglas	4,665,495	295,766	76,807	4,292,922
Edwards	2,022,208	276,506	1,458,416	287,286
Elk	819,782	78,523	349,817	391,442
Ellis	7,791,830	245,227	5,396,301	2,150,302
Ellsworth	1,809,287	178,389	772,978	857,920
Finney	7,406,844	715,513	4,420,534	2,270,797
Ford	3,832,198	696,107	208,413	2,927,678
Franklin	1,926,801	350,257	261,915	1,314,629
Geary	1,030,520	97,093	784	932,643
Gove	1,628,628	375,321	850,929	402,378
Graham	3,415,170	261,637	2,450,060	703,473
Grant	5,595,773	222,177	4,196,064	1,177,532
Gray	1,638,421	728,717	362,668	547,036
Greeley	1,035,129	149,606	608,446	277,077
Greenwood	2,351,049	143,018	1,498,522	709,509
Hamilton	1,476,083	151,370	1,072,994	251,719
Harper	2,864,223	474,090	1,474,411	915,722
Harvey	4,023,265	477,245	737,357	2,808,663

Atch. 1

<u>County</u>	<u>Total 1981 Property Tax on Tangible Personal Property</u>	<u>Estimated 1981 Property Tax on Farm Machinery</u>	<u>Estimated 1981 Property Tax on Oil and Gas Producing Property</u>	<u>Estimated 1981 Tax on Other Tangible Personal Property</u>
Haskell	\$ 3,455,304	\$ 366,506	\$ 2,674,146	\$ 414,652
Hodgeman	1,680,119	271,133	1,091,638	317,348
Jackson	1,031,892	331,313	13,771	686,808
Jefferson	1,101,102	359,541	—	741,561
Jewell	1,155,495	533,092	—	622,403
Johnson	22,038,423	190,675	22,942	21,824,806
Kearny	5,082,922	188,529	4,064,497	829,896
Kingman	3,859,762	380,784	2,958,223	520,755
Kiowa	2,191,284	205,339	1,658,671	327,274
Labette	2,166,465	358,254	49,551	1,758,660
Lane	1,564,064	234,228	764,230	565,606
Leavenworth	2,591,480	291,077	836	2,299,567
Lincoln	687,801	339,042	—	348,759
Linn	815,441	186,824	9,533	619,084
Logan	1,004,254	252,067	246,702	505,485
Lyon	3,149,067	291,293	116,530	2,741,244
Marion	2,050,026	556,234	737,804	755,988
Marshall	1,507,419	733,549	—	773,870
McPherson	6,453,200	677,344	2,055,990	3,719,866
Meade	1,824,626	303,789	1,363,510	157,327
Miami	1,781,430	305,322	205,816	1,270,292
Mitchell	1,232,886	610,510	—	622,376
Montgomery	5,655,666	281,116	451,239	4,923,311
Morris	973,411	223,634	344,060	405,717
Morton	3,493,223	110,383	3,070,605	312,235
Nemaha	1,336,709	498,497	10,592	827,620
Neosho	2,780,609	279,064	317,402	2,184,143
Ness	3,164,109	284,341	2,301,383	578,385
Norton	1,247,704	333,739	454,517	459,448
Osage	920,758	289,525	33,294	597,939
Osborne	1,172,011	348,065	371,967	451,979
Ottawa	633,586	361,391	—	272,195
Pawnee	2,120,367	425,754	962,249	732,364
Phillips	2,482,524	298,972	1,463,415	720,137
Pottawatomie	1,162,622	244,533	2,588	915,501
Pratt	3,492,701	470,690	1,615,421	1,406,590
Rawlins	1,480,005	393,600	676,409	409,996
Reno	6,852,490	955,268	1,369,789	4,527,433
Republic	1,062,137	626,538	—	435,599
Rice	2,914,006	398,452	1,817,230	698,324

<u>County</u>	<u>Total 1981 Property Tax on Tangible Personal Property</u>	<u>Estimated 1981 Property Tax on Farm Machinery</u>	<u>Estimated 1981 Property Tax on Oil and Gas Producing Property</u>	<u>Estimated 1981 Tax on Other Tangible Personal Property</u>
Riley	\$ 1,970,620	\$ 203,428	\$ 59,113	\$ 1,708,079
Rooks	3,426,432	204,501	2,368,094	853,837
Rush	1,568,687	319,040	838,876	410,771
Russell	4,741,291	244,416	3,733,647	763,228
Saline	5,241,960	368,746	242,841	4,630,373
Scott	984,323	422,691	234,793	326,839
Sedgwick	42,805,786	478,118	827,643	41,500,025
Seward	4,889,263	222,811	2,872,228	1,794,224
Shawnee	12,044,303	229,660	—	11,814,643
Sheridan	1,474,760	600,129	396,394	478,237
Sherman	1,450,830	601,115	38,565	811,150
Smith	1,036,995	497,570	—	539,425
Stafford	2,909,323	397,508	2,189,467	322,348
Stanton	2,289,266	256,735	1,664,109	368,422
Stevens	5,856,340	181,593	4,637,455	1,037,292
Sumner	4,728,837	873,472	2,039,643	1,815,722
Thomas	1,808,417	798,025	171,181	839,211
Trego	2,523,568	217,944	1,547,316	758,308
Wabaunsee	844,910	255,521	274,532	314,857
Wallace	543,382	311,511	30,197	201,674
Washington	1,181,959	577,535	—	604,424
Wichita	815,441	296,725	24,452	494,264
Wilson	1,382,628	242,714	294,920	844,994
Woodson	1,580,136	138,968	850,824	590,344
Wyandotte	16,282,585	3,986	—	16,278,599
Total	\$ 343,323,368	\$ 36,934,235	\$ 104,042,836	\$ 202,346,297

Note: Detail may not add to totals because of rounding.

Source: Reports of the Division of Property Valuation and Legislative Research Department calculations.

Kansas Legislative Research Department
March 23, 1983

ESTIMATED 1981 PROPERTY TAX LEVIES ON FARM MACHINERY AND INVENTORIES AS A PERCENT OF TOTAL TAXES LEVIED¹

County	Farm ² Machinery	% of Total Taxes	Livestock	% of Total Taxes	Merchants' Inventory	% of Total Taxes	Manufacturers' Inventory ³	% of Total Taxes	Total	% of Total Taxes
Allen	\$ 286,978	4.7%	\$ 119,776	2.0%	\$ 186,987	3.1%	\$ 461,554	7.6%	\$ 1,055,295	17.4%
Anderson	332,779	9.2	144,020	4.0	127,588	3.5	29,070	0.8	633,456	17.5
Atchison	320,285	5.7	116,004	2.1	252,741	4.5	64,035	1.1	753,065	13.4
Barber	271,157	5.2	145,345	2.8	90,596	1.7	21,430	0.4	528,528	10.2
Barton	403,783	2.4	162,939	1.0	913,761	5.3	430,658	2.5	1,911,142	11.2
Bourbon	259,624	4.5	170,046	2.9	223,671	3.9	97,111	1.7	750,452	13.0
Brown	640,632	12.1	174,287	3.3	202,136	3.8	40,552	0.8	1,057,607	20.0
Butler	325,716	1.9	302,888	1.7	321,400	1.8	121,749	0.7	1,071,753	6.1
Chase	104,243	3.8	129,495	4.7	21,685	0.8	4,929	0.2	260,352	9.4
Chautauqua	77,717	3.5	140,564	6.2	50,046	2.2	286	0.0	268,613	11.9
Cherokee	320,745	5.7	81,415	1.4	121,448	2.2	20,330	0.4	543,938	9.7
Cheyenne	358,488	16.6	96,157	4.4	114,053	5.3	—	—	568,698	26.3
Clark	104,866	3.2	77,349	2.4	35,039	1.1	—	—	217,253	6.6
Clay	516,986	11.0	186,934	4.0	242,133	5.2	42,811	0.9	988,864	21.1
Cloud	486,387	7.8	136,830	2.2	381,394	6.1	118,064	1.9	1,122,675	18.0
Coffey	235,283	2.7	86,691	1.0	77,729	0.9	17,964	0.2	417,667	4.7
Comanche	137,738	5.4	97,851	3.8	33,813	1.3	780	0.0	270,181	10.5
Cowley	346,343	2.5	211,121	1.5	365,848	2.6	337,022	2.4	1,260,334	8.9
Crawford	266,111	2.9	114,490	1.2	457,185	5.0	393,130	4.3	1,230,916	13.4
Decatur	309,520	10.8	131,922	4.6	71,096	2.5	1,586	0.1	514,125	17.9
Dickinson	604,083	7.7	191,532	2.4	352,610	4.5	75,526	1.0	1,223,751	15.6
Doniphan	573,740	14.6	104,334	2.7	267,158	6.8	149,421	3.8	1,094,653	27.9
Douglas	295,766	1.4	128,585	0.6	665,579	3.1	646,574	3.0	1,736,504	8.0
Edwards	276,506	7.4	44,831	1.2	67,365	1.8	6,241	0.2	394,942	10.6
Elk	78,523	3.6	147,323	6.8	31,474	1.4	4,055	0.2	261,376	12.0
Ellis	245,227	2.0	156,017	1.3	355,211	2.9	133,260	1.1	889,715	7.4
Ellsworth	178,389	4.3	89,902	2.2	124,225	3.0	56,101	1.4	448,617	10.8
Finney	715,513	4.0	480,348	2.7	654,424	3.7	37,339	0.2	1,887,623	10.7
Ford	696,107	5.4	210,785	1.6	607,583	4.7	230,589	1.8	1,745,064	13.6
Franklin	350,257	4.8	151,157	2.1	258,728	3.6	117,133	1.6	877,275	12.1
Geary	97,093	1.9	54,064	1.0	262,288	5.0	40,421	0.8	453,867	8.7
Gove	375,321	10.6	226,642	6.4	78,445	2.2	53,985	1.5	734,394	20.7
Graham	261,637	5.9	106,483	2.4	46,129	1.0	6,170	0.1	420,419	9.5
Grant	222,177	3.2	17,740	0.3	94,604	1.4	20,094	0.3	354,615	5.1
Gray	728,717	16.1	153,973	3.4	113,838	2.5	986	0.0	997,513	22.1
Greeley	149,606	6.6	64,926	2.9	37,924	1.7	842	0.0	253,298	11.2
Greenwood	143,018	2.9	219,964	4.5	81,146	1.7	7,230	0.1	451,359	9.3
Hamilton	151,370	5.5	51,324	1.9	26,285	1.0	111	0.0	229,090	8.3
Harper	474,090	8.2	111,616	1.9	164,591	2.9	11,417	0.2	761,715	13.2
Harvey	477,245	3.9	106,911	0.9	322,981	2.7	903,033	7.5	1,810,170	15.0
Haskell	366,506	7.1	3,822	0.1	68,022	1.3	100	0.0	438,450	8.5
Hodgeman	271,133	8.5	69,823	2.2	17,801	0.6	—	—	358,757	11.3
Jackson	331,313	9.5	216,487	6.2	144,918	4.2	32,872	0.9	725,590	20.8
Jefferson	359,541	8.1	160,049	3.6	88,061	2.0	28,347	0.6	635,998	14.4
Jewell	533,092	16.4	215,414	6.6	79,007	2.4	27,484	0.8	854,997	26.3
Johnson	190,675	0.2	91,954	0.1	1,984,344	1.8	1,301,347	1.2	3,568,320	3.3
Kearny	188,529	3.2	24,117	0.4	98,898	1.7	53	0.0	311,597	5.4
Kingman	380,784	5.3	129,459	1.8	85,920	1.2	50,489	0.7	646,652	9.0
Kiowa	205,339	5.4	45,899	1.2	58,047	1.5	—	—	309,286	8.2
Labette	358,254	4.2	216,450	2.5	345,932	4.0	212,405	2.5	1,133,041	13.2
Lane	234,228	9.1	115,026	4.5	38,506	1.5	168	0.0	387,928	15.1
Leavenworth	291,077	2.4	121,471	1.0	386,300	3.1	612,104	4.9	1,410,953	11.4
Lincoln	339,042	11.8	150,810	5.2	53,317	1.8	17,345	0.6	560,513	19.4
Linn	186,824	3.0	99,565	1.6	69,023	1.1	11,498	0.2	366,910	5.9
Logan	252,067	9.6	94,127	3.6	68,424	2.6	14,972	0.6	429,590	16.3

County	Farm ² Machinery	% of Total Taxes	Livestock	% of Total Taxes	Merchants' Inventory	% of Total Taxes	Manufacturers' Inventory ³	% of Total Taxes	Total	% of Total Taxes
Lyon	\$ 291,293	2.5%	\$ 164,447	1.4%	\$ 522,431	4.4%	\$ 535,201	4.5%	\$ 1,513,371	12.8%
Marion	556,234	8.5	183,885	2.8	197,203	3.0	24,816	0.4	962,139	14.7
Marshall	733,549	12.1	204,979	3.4	203,446	3.3	43,853	0.7	1,185,827	19.5
McPherson	677,344	4.9	159,017	1.2	318,249	2.3	371,254	2.7	1,525,863	11.1
Meade	303,789	7.2	67,666	1.6	65,779	1.6	1,541	0.0	438,775	10.4
Miami	305,322	4.4	152,265	2.2	201,993	2.9	107,572	1.5	767,153	11.0
Mitchell	610,510	13.2	114,364	2.5	224,021	4.9	53,287	1.2	1,002,181	21.7
Montgomery	281,116	2.0	148,522	1.1	494,146	3.5	837,801	6.0	1,761,584	12.6
Morris	223,634	7.2	149,779	4.8	45,549	1.5	52,252	1.7	471,215	15.1
Morton	110,383	2.3	22,223	0.5	61,197	1.3	1,100	0.0	194,904	4.1
Nemaha	498,497	11.1	220,323	4.9	179,384	4.0	29,110	0.6	927,314	20.6
Neosho	279,064	4.3	147,886	2.3	302,468	4.6	399,639	6.1	1,129,058	17.3
Ness	284,341	5.7	100,525	2.0	70,057	1.4	7,480	0.1	462,402	9.2
Norton	333,739	10.0	160,340	4.8	149,924	4.5	7,257	0.2	651,260	19.5
Osage	289,525	6.3	110,272	2.4	142,625	3.1	76,379	1.7	618,801	13.4
Osborne	348,065	9.9	148,121	4.2	114,717	3.3	15,152	0.4	626,054	17.9
Ottawa	361,391	9.9	101,108	2.8	58,856	1.6	—	—	521,355	14.3
Pawnee	425,754	8.9	95,826	2.0	166,357	3.5	5,291	0.1	693,228	14.5
Phillips	298,972	6.6	190,032	4.2	101,033	2.2	92,078	2.0	682,115	15.1
Pottawatomie	244,533	2.2	179,933	1.6	276,263	2.4	51,702	0.5	752,432	6.6
Pratt	470,690	6.2	85,143	1.1	243,366	3.2	35,252	0.5	834,451	11.0
Rawlins	393,600	11.5	157,177	4.6	63,777	1.9	2,097	0.1	616,650	18.0
Reno	955,268	3.7	236,277	0.9	1,175,595	4.5	406,335	1.6	2,773,475	10.6
Republic	626,538	14.2	173,240	3.9	170,990	3.9	21,245	0.5	992,012	22.4
Rice	398,452	5.4	85,625	1.2	108,727	1.5	23,756	0.3	616,560	8.4
Riley	203,428	1.7	111,517	0.9	432,033	3.6	22,801	0.2	769,778	6.3
Rooks	204,501	4.6	93,210	2.1	28,043	0.6	284	0.0	326,039	7.4
Rush	319,040	8.3	86,278	2.2	82,860	2.2	11,703	0.3	499,880	13.0
Russell	244,416	3.5	93,083	1.3	157,312	2.2	19,185	0.3	513,997	7.3
Saline	368,746	2.1	128,580	0.7	1,097,770	6.3	379,597	2.2	1,974,693	11.3
Scott	422,691	11.7	66,216	1.8	147,173	4.1	—	—	636,079	17.7
Sedgwick	478,118	0.4	124,505	0.1	7,544,914	5.7	15,295,236	11.7	23,442,772	17.9
Seward	222,811	2.4	31,229	0.3	356,447	3.8	18,757	0.2	629,245	6.7
Shawnee	229,660	0.4	80,460	0.1	2,819,241	4.6	1,040,512	1.7	4,169,873	6.7
Sheridan	600,129	19.9	175,693	5.8	44,561	1.5	3,560	0.1	823,943	27.4
Sherman	601,115	12.1	111,993	2.3	233,518	4.7	20,980	0.4	967,606	19.5
Smith	497,570	15.3	210,597	6.5	118,181	3.6	6,162	0.2	832,510	25.5
Stafford	397,508	7.9	90,798	1.8	55,108	1.1	1,481	0.0	544,895	10.9
Stanton	256,735	8.1	25,571	0.8	37,439	1.2	—	—	319,745	10.0
Stevens	181,593	2.8	15,664	0.2	40,040	0.6	5,426	0.1	242,723	3.7
Sumner	873,472	7.7	115,503	1.0	289,807	2.6	28,544	0.3	1,307,327	11.6
Thomas	798,025	12.9	155,581	2.5	198,626	3.2	24,307	0.4	1,176,539	19.1
Trego	217,944	6.3	119,025	3.4	101,578	2.9	2,869	0.1	441,417	12.7
Wabaunsee	255,521	7.5	168,121	4.9	48,782	1.4	10,418	0.3	482,842	14.2
Wallace	311,511	16.5	103,587	5.5	46,840	2.5	567	0.0	462,504	24.5
Washington	577,535	12.5	249,714	5.4	170,401	3.7	—	—	997,650	21.5
Wichita	296,725	11.8	263,726	10.5	47,146	1.9	976	0.0	608,572	24.2
Wilson	242,714	5.5	124,123	2.8	85,298	1.9	170,487	3.9	622,623	14.2
Woodson	138,968	5.0	106,380	3.8	50,294	1.8	3,984	0.1	299,626	10.8
Wyandotte	3,986	0.0	4,760	0.0	2,639,793	4.9	2,537,014	4.7	5,185,554	9.6
TOTAL	\$36,934,235	3.7%	\$13,813,942	1.4%	\$35,020,818	3.5%	\$ 29,819,071	3.0%	\$115,588,067	11.5%

- 1) Rural or urban assessed valuations of such properties multiplied by the average rural or urban personal property tax rate.
- 2) Farm machinery includes irrigation equipment.
- 3) Includes noninterstate commerce inventory.

Source: Property Valuation Division, 1981 Property Tax Survey.

138,000 urban pers.
 205 M rural. per.
 88 (117 M) oil & gas

1981 PROPERTY VALUES - STATE TOTALS

Percentage Each Class Bears to Total

	1981 (Minus Farm Mach.)	Uniform & Equal	SCR 1619 A (Pers. Prop. Exempt)
<u>Agriculture</u>			
Ag Non-Investment	.3	1.1	.6
Ag Investment	16.1	35.7	21.0
Livestock	1.7	.6	.0
	<u>18.1</u>	<u>37.4</u>	<u>21.6</u>
<u>Commerce and Industry</u>			
Rural Ind. & Com.	1.4	2.9	4.3
Commercial	7.2	7.7	11.3
Industrial	.6	.8	1.1
Recreational	.0	.1	.1
<u>Rural</u>			
Mer. Inventory	.4	.2	.0
Mfg. Inventory	1.4	.5	.0
Office Equipment	.1	.0	.0
Equipment	.9	.3	.0
<u>Urban</u>			
Mer. Inventory	2.6	.9	.0
Mfg. Inventory	1.5	.6	.0
Office Equipment	.6	.2	.0
Equipment	1.8	.7	.0
	<u>18.5</u>	<u>14.9</u>	<u>16.8</u>
<u>Residences</u>			
<u>Urban</u>			
Residences	18.9	24.4	19.2
Multi-Family	2.3	2.5	1.9
<u>Rural</u>			
Homesites	1.2	2.4	1.9
Planned Subdivisions	1.4	2.2	1.7
	<u>23.8</u>	<u>31.5</u>	<u>24.7</u>
<u>State Assessed</u>			
Railroads	1.9	.7	.5
Other	15.5	5.6	16.4
	<u>17.4</u>	<u>6.3</u>	<u>16.9</u>
<u>Other</u>			
Total Gas & Oil Production	17.1	6.2	18.1
Other	5.1	3.7	1.9
	<u>22.2</u>	<u>9.9</u>	<u>20.0</u>
GRAND TOTAL	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Kansas Legislative Research Department
March 23, 1983