

Approved February 20, 1984
Date

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 February 15, 19⁸⁴ in room 519 S of the Capitol.

All members were present except: Representatives Erne, Rolfs, Roe & Ott who were excused.

Committee staff present:

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

Conferees appearing before the committee:

Janice Marcum, Department of Property Valuation
Alvin Bauman, County Clerk/Appraiser, Nemaha County
Dee Likes, Kansas Livestock Association

Hearings were held for the opponents of Senate Bill 275 which would bring about a state-wide reappraisal of property.

Alvin Bauman, County Clerk/Appraiser for Nemaha County, testified that if the amendments he presented (Exhibit I) were adopted and the reappraisal returned to local control, Nemaha County would push for the passage of Senate Bill 275. He also presented some of the forms and charts which he is currently utilizing to appraise farm land in Nemaha County. (Exhibit II)

Dee Likes, Kansas Livestock Association, testified that his association would oppose a reappraisal until the state has a method to address the tax shifts that would occur under Senate Bill 275.

Janice Marcum, Department of Property Valuation, spoke briefly and stated that the position of the Department is that obviously there is a need for reappraisal, but the Department feels very strongly about the need for a central computerized system. The Director is charged with the responsibility for the administration of the property valuation system state-wide and the Department does not feel that they would have a method available on a timely basis under any other program.

The Chairman gave the committee members a copy of letters from Ryan Aviation Corporation and Air Midwest which oppose the passage of House Bill 2818. These letters were obtained by Mr. Charles Belt who represents the Wichita Chamber of Commerce. (Exhibit III and IV)

The meeting was adjourned.

DATE: 2-15-84

GUEST REGISTER
HOUSE
ASSESSMENT & TAXATION
COMMITTEE

NAME	ORGANIZATION	ADDRESS
Marcella Handke	Kans Agr Women	Muscatah Kans.
Mary Nell	" " "	Effingham, Kans.
Leona Falp		Effingham Kans.
Mildred Kelly	" " "	E. Effingham, Ks.
Jean Crowley	Launceston	Launceston, Ks.
Arna Lyuscott	Kans Agr. Women	E. Effingham, Ks.
A. Lester Laughlin		RB Atchison Ks.
Miriam Laughlin	Kans. Agr. Women	" " "
Jean Beien	guest of " " "	Cummings Ks.
Kelsie Parr	guest of " " "	Atchison, Ks.
Alvin Berman		Nemaha Co.
Herbert F. Wichman ^{Nichols}	Co. Comm.	Nemaha Co.
Mary Lee Wichman	Dep. Appraiser	Nemaha Co.
D. WAYNE ZIMMERMAN	THE ELECTRIC CO. ASSOC. OF KS.	TOPEKA
ML Jenkins	Speakers Office	"
Ron Gaches	KCCI	TOPEKA
Glenn Cogswell	Northwest Central Speakers Corp	Topeka
JANET J. STUBBS	HBAK	TOPEKA
Bruce Warner	City of Wichita	Wichita
Chip Wheeler	KLPG	Topeka
Carol Mason	KPL	Topeka
Don Mytz	SWB	Topeka

Senate Bill No. 275 as amended by Senate Committee, to further amend Section 1, Page 1, Line 0045 by inserting after the word valuation the following, "and approved by the Board of Directors of the Kansas County Commissioners Association."

Page 3, Section 1, to amend by deleting lines 0094 - 0095 - 0096 - 0097 and insert the following, "After data is compiled for updating of inventories for each parcel of real property. A summary of the information shall be submitted to the director of property valuation."

Further Amend. Line 0103, by inserting after the period after 79-503a, the following. Except land devoted to agricultural use shall be valued for ad valorem tax purposes upon the basis of its agricultural income or agricultural productivity, actual or potential.

New section 2, amend as follows:

Lines 0185 to line 0197 inclusive should be stricken and the following inserted.

The secretary of revenue shall provide for an annual audit and inspection of every county appraisal office. Shall recommend uniform guides and procedures to follow and shall confer with the County Commissioners and County Appraisers in order to provide for an annual update of property tax laws in this State.

New Section 4, Amend line 0257 after the word director by inserting the following. And approved by the directors of the Kansas County Commissioners Association.

federal laws by reference. In enacting any law under section 2 of this article 11, the legislature may at any regular, budget or special session define income by reference to or otherwise adopt by reference all or any part of the laws of the United States as they then exist, and, prospectively, as they may thereafter be amended or enacted, with such exceptions, additions or modifications as the legislature may determine then or thereafter at any such legislative sessions.

Revisor's Note:

This new section was submitted by the legislature at the special session of 1966 (L. 1966, ch. 14—Spec. Sess.; SCR No. 2) and was adopted by the people at the general election, November 8, 1966.

Law Review and Bar Journal References:

Mentioned in 1965-69 survey of estate planning and future interests, James K. Logan, 17 K.L.R. 455, 456 (1969).

CASE ANNOTATIONS

1. Mentioned in holding that 79-3290 does not constitute an unlawful delegation of legislative power. *Missouri Pacific Railroad Co. v. McDonald*, 207 K. 744, 747, 486 P.2d 1347. Affirmed: 208 K. 479, 493 P.2d 280.

§ 12. Assessment and taxation of land devoted to agricultural use. Land devoted to agricultural use may be defined by law and valued for ad valorem tax purposes upon the basis of its agricultural income or agricultural productivity, actual or potential, and when so valued such land shall be assessed at the same percent of value and taxed at the same rate as real property subject to the provisions of section 1 of this article. The legislature may, if land devoted to agricultural use changes from such use, provide for the recoupment of a part or all of the difference between the amount of the ad valorem taxes levied upon such land during a part or all of the period in which it was valued in accordance with the provisions of this section and the amount of ad valorem taxes which would have been levied upon such land during such period had it not been in agricultural use and had it been valued, assessed and taxed in accordance with section 1 of this article.

Revisor's Note:

This section was submitted by the Legislature at the 1975 session (L. 1975, ch. 516; HCR No. 2005) and was adopted at the general election on November 2, 1976.

Law Review and Bar Journal References:

Mentioned in "Differential Assessment of Agricultural Land in Kansas: A Discussion and Proposal," 25 K.L.R. 215, 230 (1977).

Mentioned in "Comprehensive Land Use Control Through Differential Assessment and Supplemental Regulation," Clarence J. Malone and Mark Ayesh, 18 W.L.J. 432, 445, 453 (1979).

Article 12.—CORPORATIONS

§ 1. Corporate powers. The legislature shall pass no special act conferring corporate powers. Corporations may be created under general laws; but all such laws may be amended or repealed.

Research and Practice Aids:

Corporations—6.
Hatcher's Digest, Corporations §§ 5 to 7.
C.J.S. Corporations § 28.

Law Review and Bar Journal References:

Validity of special legislation, Maurice D. Freidberg, 13 J.B.A.K. 206, 208 (1945).
Mentioned in 1955-56 survey of law of municipal corporations, James L. Postma, 5 K.L.R. 283 (1956).
Constitutional aspect of home rule discussed in "City Home Rule in Kansas," Wright W. Crummett, 9 W.L.J. 1, 4 (1969).

CASE ANNOTATIONS

1. General act changing corporate limits when certain conditions exist, valid. *Town Co. v. City of Smith Center*, 6 K.A. 252, 257, 51 P. 801.
2. Ferry franchise granted by territorial legislature, contract legislature cannot impair. *The Territory v. Reyburn*, 1 K. (Dassler's Ed.) 551.
3. This article merely regulates exercise of general legislative power conferred. *Hines v. The City of Leavenworth*, 3 K. 186, 187.
4. This article restricts power conferred by article 2, section 1. *Atchison v. Bartholow*, 4 K. 124, 143.
5. This section applies to municipal as well as other corporations. *City of Wyandotte v. Wood*, 5 K. 603, 607.
6. Special act attempting to extend corporate limits of city unconstitutional. *City of Wyandotte v. Wood*, 5 K. 603, 607.
7. Corporation has no legal existence outside the state where created. *Land Grant Railway v. Comm'rs of Coffey County*, 6 K. 245, 255.
8. Act permitting single city to aid manufacturing enterprise held invalid. *National Bank v. City of Iola*, 9 K. 689, 696.
9. Act authorizing single city to macadamize, assess costs, etc., invalid. *Gilmore v. Norton*, 10 K. 491, 504.
10. Power of legislature to change stockholder's liability considered. *The State, ex rel., v. County of Nemaha*, 10 K. 569, 580.
11. School district is only quasi corporation; this article not applicable. *Beach v. Leahy, Treasurer*, 11 K. 23, 31.
12. Corporation lawfully organized to build bridge across Missouri river. *Hunt v. K. & M. Bridge Company*, 11 K. 412.
13. This article has no application to counties as counties. *The State, ex rel., v. Comm'rs of Pawnee Co.*, 12 K. 426, 439.
14. Special act incorporating four cities of the second class unconstitutional. *City of Council Grove*, 20 K. 619.
15. Corporations organized under special territorial

Re-appraisal - Land and City lots values

What is a fair value of land or city lots? This is a hard question. Should not consideration be given to real estate not for sale? Is it market value when Blue Sky is involved?

Is there a difference between farm land where an income is needed to make a living and city lots and homesites where a parcel is needed to build living quarters on?

I fully realize there's three approaches to an appraisal, Income is a main yardstick, the appraisal of oil and gas is highly geared to income. Should not the capability of farm land be considered under the same theory?

In July, 1982, the Nemaha County Soil Survey was released on page 65, the yields per acre on the various types of soil is listed. In checking with the soil conservation service. I was informed this was their study over a ten year period.

The S.C.S. Classes of soil is class only. If Oil and Gas are to be taxed on potential income, then should not the tiller of the soil be considered on the same basis?

Back to page 65 soil survey. There are two soils that have a greater yield in corn, several other soil show better yields in wheat or soybeans and could be considered in a higher class. But to keep the estimate uniform, Grain Sorghum has been used with price of Federal Loan rate as a price index. The Loan rate for Nemaha County is \$3.38 per hundred and a figure of \$4.40 per hundred is use with a capitalization rate of 8% and figures of cost are used uniformly for all numbers of farm land.

Using soil numbers with a average yield over a 10 year period is more fair than estimating soil classes one to right with a A & B in each class.

The value of pasture was arrived at after checking with several cattlemen who rented pastures, got the figures of rent paid, then took the type of soil to make an estimate of the value of the type of income that could be a expected income in pasture land.

The question I know will be, is this what land is selling for? My question, can we assess and tax BLUE SKY:

The State Property Valuation Department and the Kansas legislature has accepted the taxing of Oil and Gas on the income theory. These company request a 6 percent return on their investments. If the pipelines don't run full, they are considered for tax relief.

So should farm land all be assessed on a few Market Sales? I say NO The farmer who does not have his farm for sale need protection at least to the type of soil that has a history of potential yields. Then to have to be fair and use comparables, the history of yields to the type of soils is by far the best yardstick of values.

I also have repwrked the City of Seneca, mostly on a sale-ratio basis on lot values only. I have no charts to present as yet, all figures are on a tablet that are open for inspection.

Re-appraisal is coming, lets work to present a good, fair and workable program. I urge the County Commissioners of all Countys to request of the Legislature that the property taxes for budgets be limited to not over a 5% increase in any one year for a 5 year period. The County, township, schools and cities need a base for budget operations. We need a continual reappraisal, but on a 5 year rotation bases, the County should be divided into 5 districts and one district be rechecked every 5 years.

The County should at all times remain as the supervisor of valuation. The State Property Valuation Department to be in the advising capacity and the State Board of Tax Appeals to remain in the position as it is now.





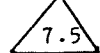









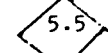
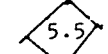


Alvin Bauman
Nemaha County Clerk-Appraiser

Nemaha County Soil Survey

Released in August & Sept. 1982

TABLE 5.--YIELDS PER ACRE OF CROPS AND PASTURE

[Yields are those that can be expected under a high level of management. Only arable soils are listed. Absence of a yield indicates that the soil is not suited to the crop or the crop generally is not grown on the soil]

Soil name and map symbol	Grain sorghum	Corn	Soybeans	Winter wheat	Smooth brome grass	Alfalfa hay
	Bu	Bu	Bu	Bu	AUM*	Ton
Bf----- Benfield	60	55	25	36		3.0
Bs----- <i>F2C-3D</i> Burchard-Steinauer	70	65	30	36		3.2
Ch----- <i>LF2</i> Chase	85	85	36	50		5.0
Et----- <i>M31C-M31C3</i> Elmont	75	80	32	40		3.6
Ke----- <i>LM4</i> Kennebec	90	100 ✓	40	48		5.0
Kn----- <i>CA covered</i> Kennebec	---	---	---	---		---
Mb----- <i>M3C14-3% slope</i> Morrill	80	80	32	42		3.6
Me----- <i>M3C3 4-8% eroded</i> Morrill	70	70	30	38		3.2
Om----- <i>3B</i> Olmitz	90	95	40	48		4.5
Pa----- <i>F1B, F1B3 1 to 4% slope</i> Pawnee	70	68	30	40		3.4
Pb----- <i>F1C 4 to 8% slope</i> Pawnee	65	64	26	36		3.1
Pe----- <i>F1C3 4 to 8% eroded</i> Pawnee	60	58	25	32	X 4.0	2.8
Re----- <i>LF3</i> Reading	95	100 ✓	44	52		5.0
Sb----- <i>S E C</i> Sibleyville	60	52	24	38		---
Vv----- <i>T-D 5-15% slope</i> Vinland Variant	---	---	---	---	X 4.0	---
Wa----- <i>LF1</i> Wabash	80	70	32	40		3.0
Wb----- <i>F21B3, F1A + F21B</i> Wymore	75	75	32	44		3.7
Wc----- <i>F21C, F21C3</i> Wymore	70	65	28	40		3.3

* Animal-unit-month: The amount of forage or feed required to feed one animal unit (one cow, one horse, one mule, five sheep, or five goats) for 30 days.

	<u>FARM LAND</u>	<u>SOIL TYPE</u>	<u>YIELD</u>	<u>VALUE</u>
No. 1	Farm Land	1F3	95 Bu.	\$675.00 per acre
No. 2	Farm Land	1M4	90 Bu.	\$625.00 per acre
		3B		
No. 3	Farm Land	1F2	85 Bu.	\$575.00 per acre
No. 4	Farm Land	1F1		
		M3C	80 Bu.	\$525.00 per acre
No. 5	Farm Land	F21B3	75 Bu.	
		F1A		
		F21B		
		M31C		
		M31C3		\$450.00 per acre
No. 6	Farm Land	F1B	70 Bu.	
		F1B3		
		M3C3		
		F21C		
		F21C3		
		3D		\$425.00 per acre
No. 7	Farm Land	F1C	65 Bu.	\$374.00 per acre
No. 8	Farm Land	F1C3	60 Bu.	
		SC3		\$325.00 per acre
No. 9	Farm Land	2D	No yield listed	\$150.00 per acre
		4		
		1E		
		7D		

YIELD TAKEN FROM NEMAHA COUNTY SOIL SURVEY, RELEASE BY NEMAHA COUNTY CONSERVATION DISTRICT, JULY, 1982.

Value estimated by using 8% capitalization rate.

		<u>Soil Type</u>	<u>Rent per acre</u>	<u>Value per acre</u>
No. I	Pasture	1F3	\$30.00	\$260.00
No. II	Pasture	1M4		
		3B	\$28.00	\$240.00
No. III	Pasture	1F2	\$26.00	\$215.00
No. IV	Pasture	1F1	\$24.00	\$190.00
		M3C		
No. V	Pasture	F21B3	\$22.00	\$170.00
		F1A		
		F21B		
		M31C		
No. VI	Pasture	F1B	\$20.00	\$145.00
		F1B3		
		M3C3		
		F21C		
		F21C3		
		3D		
No. VII	Pasture	F1C	\$18.00	\$125.00
No. VIII	Pasture	F1C3	\$16.00	\$100.00
		SC3		
No. IX	Pasture	1E	\$8.00	\$80.00
		2D		
		4		
		4D		
		7D		

PASTURE RENT ESTIMATED AFTER VISITING WITH SEVERAL LANDLORDS AND RENTERS.
PASTURE ON IX SOILS ARE OFTEN SOILS THAT CANNOT BE FERTILIZED.

	Sorghum Bu.	Corn Bu.	Potential yield land (100%) value per acre (page 65) soil survey			
No. 1 - Soil 1F3 or Re - Reading	95	100	Farm	\$675.00	Pasture	\$260.00
No. 2 - Soil - 1M4 or Ke - Kennebec	90	100	"	625.00	"	240.00
No. 2 - Soil 3B or Om - Olmitz	90	95	"	625.00	"	240.00
No. 3 - Soil 1F2 or Ch - Chase	85	85	"	575.00	"	215.00
No. 4 - Soil 1F1 or Wa - Wabash	80	80	"	525.00	"	190.00
No. 4 - Soil M3 C or Mb - Morrill	80	80	"	525.00	"	190.00
No. 5 - Soil F21B3 or Wb - Wymore	75	75	"	475.00	"	170.00
No. 5 - Soil F1A or Wb - Wymore	75	75	"	475.00	"	170.00
No. 5 - Soil F21B or Wb - Wymore	75	75	"	475.00	"	170.00
No. 5 - Soil M31C or ET - Elmont	75	80	"	475.00	"	170.00
No. 5 - Soil M31C3 or ET - Elmont	75	80	"	475.00	"	170.00
No. 6 - Soil F1B or Pa - Pawnee	70	68	"	425.00	"	145.00
No. 6 - Soil F1B3 or Pa - Pawnee	70	68	"	425.00	"	145.00
No. 6 - Soil M3C3 or Me - Morrill	70	70	"	425.00	"	145.00
No. 6 - Soil F21-C or We - Wymore	70	65	"	425.00	"	145.00
No. 6 - Soil F21C 3 or We - Wymore	70	65	"	425.00	"	145.00
No. 6 - Soil 3D or Bs - burchard-Steinauer	70	65	"	425.00	"	145.00
No. 6 - Soil F3C or Bs - Burchard-Steinauer	70	65	"	425.00	"	145.00
No. 7 - Soil F1C or Pb.- Pawnee	65	64	"	375.00	"	125.00
No. 8 - Soil F2C or BF - Benfield	60	55	"	325.00	"	100.00
No. 8 - Soil F1C3 or Pe - Pawnee	60	52	"	325.00	"	100.00
No. 8 - Soil SC3 or Sb - Sibleyville	60	52	"	325.00	"	100.00
No. 9 - Soil 2D or Kp - Kipson	NO	YEILD LISTED		150.00		80.00
No. 9 - Soil 4 or Ke - River Channels	"	"		150.00		80.00
No. 9 - Soil 1E or ST - Steinauer	"	"		150.00		80.00
No. 9 - Soil 7D or Vv - Vinland Variant	"	"		150.00		80.00

NO. 1		Sorghum	Corn	NO. 2	
		Bu.	Bu.	Yields	
				Sorghum	
I.	1F3 - A-Re	95	100	No. 1 Soil at or above 90 Bu. 1F3 - A = 95	
II.	1F2 - A-Ch	85	85	No. 2 Soil - 90 Bu. Sorghum 1M4 - A = 90 3B - A = 90	
	1M4 - A-Ke	90	100		
	3B - A-Om	90	95		
	F21B3 - A-Wb	75	75	No. 3 - at 85 Bu. Sorghum or above 1F2 - 85	
	F1A - A-Wb	75	75		
	F21B - A-Wb	75	75		
	F1B - B-Pa	70	68		
F1B3 - B-Pa	70	68	No. 4 Soil at 80 Bu. 1F1 - 80 M3C - 80		
III.	M31C - A-Et	75			80
	M31C3 - A-Et	75	80	No. 5 - at 75 Bu. Sorghum F21B3 - A - 75 F1A - A - 75 F21B - A - 75 M31C - A - 75 M31C3 - A - 75	
	1F1 - A-Wa	80	70		
	M3C - A-Mb	80	80		
	M3C3 - A-Me	70	70		
	F21C - A-We	70	65		
	F21C3 - A-We	70	65		
	F3C - B-Bs	70	65		
	3D - B-Bs	70	65		
	F1C - B-Pb	65	64		
	F1C3 - B-Pe	60	58		
IV.	SC3 - B-Sb	60	52		
				No. 7 Soil - 65 Bu. Sorghum F1C - B - 65	
				No. 8 Soil - 60 Bu. Sorghum & Below F1C3 - B - 60 Bu. SC3 - B - 60 Bu.	

Loan rate on Milo, Nemaha County, Seneca, Kansas 1983 is \$4.37 per hundred. Using 4.40 per hundred to get an estimate value.

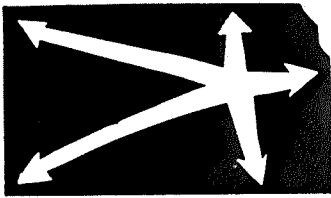
As Milo or "Sorghum" has been the biggest crop in Nemaha County, according Annual Report State Board of Agriculture, for several years, milo is used as base value of land in accordance with yields Page 65, Nemaha County Soil Survey, released July, 1982.

Expenses are an estimate after visiting with several farmers and trying to come up with an average.

I have made eight (8) grades of soil according to yields that are posted on page 65 which I'm told is a 10 year average.

PRODUCING LAND - VALUE --

Using Sorghum Page 65, Soil Survey, 1983



Dryland Grain Sorghum In Eastern Kansas

Leo Figurski
Area Extension Economist

Douglas F. Beech
Agricultural Economist

Cost-Return Projections

The crop budgets are based on average costs of production for different areas of the state. Production costs for individual farms will vary considerably due to the weather, amounts of fertilizer and chemicals applied, and the type and amount of farm machinery owned.

Total Costs vs. Cash Costs

Both total costs and cash costs are useful for planning purposes. Two columns of figures are listed in all the crop budgets to provide total costs for long range planning and cash costs for cash flow purposes.

In the cost-return budget, the total column shows all costs including costs such as operators labor, interest on land and machinery, and depreciation on crop machinery. Costs in the cash column represent actual cash expenses during the year.

Variable Costs

Fertilizer costs include 80 pounds of nitrogen at \$.16 per pound, thirty pounds of phosphate at \$.26 per pound, and ten pounds of potash at \$.12 per pound. Annual cost for lime is included at \$2 per acre.

Fuel, oil, and repair costs for the 1984 crop year were based on the 1982 cash crop costs in Farm Management Associations 4 and 6.

Line 10 in the total column shows the interest on the variable costs (Lines 1 through 9) for one-half year at 14 percent interest. The same line in the cash column assumes that the operator borrows 60 percent of the variable cash costs for one-half year at 14 percent interest.

Fixed Costs

Real estate taxes were calculated at \$.73 per \$100 valuation and interest was computed at the rate of 6 percent on land valued at \$750 per acre. In the cash column, the 6 percent interest is calculated on an assumed land debt of 33 percent. If the land is rented, the cost of the rent per acre should be listed on Line 13 and no taxes or interest shown on Lines 11 and 12.

Depreciation on crop machinery was calculated assuming a seven year life and a current investment of \$167 per acre. Depreciation is not shown as an expense in the cash column. Taxes, insurance, and interest were calculated as 8 percent of the current investment of \$167 per acre. The cash column shows 7 percent interest on 33 percent of the current investment plus a charge of one percent of current investment for taxes and insurance.

COST-RETURN PROJECTION—GRAIN SORGHUM—EASTERN KANSAS

	EXAMPLES		YOUR FARM	
	Total	Cash	Total	Cash
VARIABLE COSTS PER ACRE:				
1. Labor (2.3 hrs. X \$6.00/hr.)	\$ 13.80	\$ --	_____	_____
2. Seed (5.5 lbs. X \$.50/lb.)	2.75	2.75	_____	_____
3. Herbicide (\$13.50) and Insecticide (\$10)	23.50	23.50	_____	_____
4. Fertilizer and Lime	23.80	23.80	_____	_____
5. Fuel and Oil	14.15	14.15	_____	_____
6. Machinery and Equipment Repairs	14.20	14.20	_____	_____
7. Crop Insurance	_____	_____	_____	_____
8. Custom Hire (Drying 10¢/bu.)	8.00	8.00	_____	_____
9. Miscellaneous	4.25	4.25	_____	_____
10. Interest on ½ Variable Costs @ 14%	7.31	3.81	_____	_____
A. TOTAL VARIABLE COSTS	\$ 111.76	\$ 94.46	_____	_____
FIXED COSTS PER ACRE:				
11. Real Estate Taxes	\$ 5.50	\$ 5.50	_____	_____
12. Interest on Land (\$750/A X 6%)	45.00	15.00	_____	_____
13. Rent for Rented Land	_____	_____	_____	_____
14. Depreciation on Crop Machinery	23.85	--	_____	_____
15. Interest, Taxes, Ins. on Crop Machinery @ 8%	13.36	5.57	_____	_____
B. TOTAL FIXED COSTS	\$ 87.71	\$ 26.07	_____	_____
C. TOTAL COSTS (Line A + Line B)	\$ 199.47	\$ 120.53	_____	_____
D. YIELD PER ACRE	80 bu.	_____	_____	_____
E. PRICE PER BUSHEL	\$ 2.85	_____	_____	_____
F. RETURNS PER ACRE (D X E)	\$ 228.00	_____	_____	_____
G. RETURNS OVER VARIABLE COSTS (F - A)	\$ 116.24	\$ 133.54	_____	_____
H. RETURNS OVER TOTAL COSTS (F - C)	\$ 28.53	\$ 107.47	_____	_____
I. VARIABLE COSTS/BUSHEL (A ÷ D)	\$ 1.40	\$ 1.18	_____	_____
J. FIXED COSTS/BUSHEL (B ÷ D)	\$ 1.10	\$.33	_____	_____
K. TOTAL COSTS/BUSHEL (C ÷ D)	\$ 2.50	\$ 1.51	_____	_____



COOPERATIVE EXTENSION SERVICE, MANHATTAN, KANSAS

MF-573 Revised

August 1983

Issued in furtherance of Cooperative Extension Work, acts of May 8 and June 30, 1914, as amended. Kansas State University, County Extension Councils, and United States Department of Agriculture Cooperating. Fred D. Sobering, Director. All educational programs and materials available without discrimination on the basis of race, color, national origin, sex, or handicap.

8-83-3M

File Code: Farm Management 3-1

 NO. 1 SOIL

95 Bu. per acre X 56 lbs. = 5,320 lbs. X \$4.40 per hundred = \$234.08 per acre ÷ 2 if landlords share 50% = \$117.04.

Expenses:	Taxes, estimated, 10 year average	\$12.00 per acre
	Insurance	\$.50 per acre
	Seed, 6 lbs. ($\frac{1}{2}$) \$1.00 per lb.	\$ 3.00 per acre
	Insecticide ($\frac{1}{2}$)	\$ 3.00 per acre
	Herbicide ($\frac{1}{2}$)	\$ 4.00 per acre
	Fertilizer & Lime ($\frac{1}{2}$)	\$20.00 per acre
	Harvest ($\frac{1}{2}$)	\$10.00 per acre
	Haul - 10 cents ($\frac{1}{2}$)	\$ 4.75 per acre
	Drying - 12 cents ($\frac{1}{2}$)	\$ 5.70 per acre
	Landlords share expense	<u>\$62.95 per acre</u>

Income	\$117.04
Expense	<u>\$-62.95</u>
	\$ 54.09 Net Income Per Acre

Capitalization rate 8% or $54.09 \div 8 = 676.12$ per acre

Value \$675.00

 NO. 2 SOIL

90 Bu. per acre X 56 lbs. = 5,040 lbs. X \$4.40 per hundred = \$221.76 per acre ÷ 2 if landlords share 50% = \$110.86

Expenses:	Taxes, estimated, 10 year average	\$11.50 per acre
	Seed 6 lbs ($\frac{1}{2}$)	\$ 3.00 per acre
	Insecticides ($\frac{1}{2}$)	\$ 3.00 per acre
	Herbicides ($\frac{1}{2}$)	\$ 4.00 per acre
	Fertilizer & Lime ($\frac{1}{2}$)	\$20.00 per acre
	Harvest ($\frac{1}{2}$)	\$10.00 per acre
	Haul at 10 cents ($\frac{1}{2}$)	\$ 4.50 per acre
	Drying at 12 cents ($\frac{1}{2}$)	\$ 5.40 per acre
	Landlords share expense	<u>\$61.40 per acre</u>

Income	\$110.86
Expense	<u>\$-61.40</u>
	\$ 49.46 Net Income Per Acre

Capitalization rate 8% or $49.46 \div 8 = 618.25$ per acre

Value \$625.00

 NO. 3 SOIL

85 Bu. per acre X 56 lbs. = 4,760 lbs. X \$4.40 per hundred = \$209.44 per acre ÷ 2 if landlords share 50% = \$104.72

Expenses:	Taxes, estimated, 10 year average	\$11.00 per acre
	Insurance	\$.50 per acre
	Seed 6 lbs ($\frac{1}{2}$)	\$ 3.00 per acre
	Insecticide ($\frac{1}{2}$)	\$ 3.00 per acre
	Herbicide ($\frac{1}{2}$)	\$ 4.00 per acre
	Fertilizer and lime ($\frac{1}{2}$)	\$19.00 per acre
	Harvest ($\frac{1}{2}$)	\$10.00 per acre
	Haul at 10 cents ($\frac{1}{2}$)	\$ 4.25 per acre
	Drying at 12 cents ($\frac{1}{2}$)	\$ 5.10 per acre
	Landlords share expense	<u>\$59.85 per acre</u>

Income	\$104.72
Expenses	<u>\$ 59.85</u>
	\$ 44.87 Net Income Per Acre

Capitalization rate 8% or $44.87 \div 8 = 560.87$ per acre

Value \$575.00

 NO. 4 SOIL

80 Bu. per acre X 56 lbs. = 4,480 lbs. X \$4.40 per hundred = \$197.12 per acre ÷ 2 if landlord share 50% = \$98.56

Expenses:	Taxes, estimated, 10 year average	\$10.00 per acre
	Insurance	\$.50 per acre
	Seed 6 lbs. ($\frac{1}{2}$)	\$ 3.00 per acre
	Insecticide ($\frac{1}{2}$)	\$ 3.00 per acre
	Herbicide ($\frac{1}{2}$)	\$ 4.00 per acre
	Fertilizer and lime ($\frac{1}{2}$)	\$18.00 per acre
	Harvest ($\frac{1}{2}$)	\$10.00 per acre
	Haul at 10 cents ($\frac{1}{2}$)	\$ 4.00 per acre
	Drying at 12 cents ($\frac{1}{2}$)	\$ 4.80 per acre
	Land lords share expense	<u>\$57.30 per acre</u>

Income \$98.56
 Expense \$57.30
 \$41.26 Net Income Per Acre

Capitalization rate 8% or $41.26 \div 8 = 518.25$ per acre

Value \$525.00

 NO. 5 SOIL

75 Bu. per acre X 56 lbs. = 4,200 lbs. X \$4.40 per hundred = \$184.80 per acre ÷ 2 if landlord share 50% = \$92.40

Expenses:	Taxes estimated on 10 year average	\$ 9.00 per acre
	Insurance	\$.50 per acre
	Seed $5\frac{1}{2}$ lbs. ($\frac{1}{2}$)	\$ 2.75 per acre
	Insecticide ($\frac{1}{2}$)	\$ 3.00 per acre
	Herbicide ($\frac{1}{2}$)	\$ 4.00 per acre
	Fertilizer and Lime ($\frac{1}{2}$)	\$17.00 per acre
	Harvest ($\frac{1}{2}$)	\$10.00 per acre
	Haul at 10 cents ($\frac{1}{2}$)	\$ 3.75 per acre
	Drying at 12 cents ($\frac{1}{2}$)	\$ 4.50 per acre
	Landlords share expense	<u>\$54.50 per acre</u>

Income \$92.40
 Expense \$54.50
 \$37.90 Net Income Per Acre

Capitalization rate 8% or $37.90 \div 8 = 473.75$ per acre

Value \$475.00

 NO. 6 SOIL

70 Bu. per acre X 56 lbs. = 3,920 lbs. X \$4.40 per hundred = \$172.48 per acre ÷ 2 if landlord share 50% = 86.24

Expenses:	Taxes estimated on 10 year average	\$ 8.00 per acre
	Insurance	\$.50 per acre
	Seed 5 lbs. ($\frac{1}{2}$)	\$ 2.50 per acre
	Insecticide ($\frac{1}{2}$)	\$ 3.00 per acre
	Herbicide ($\frac{1}{2}$)	\$ 4.00 per acre
	Fertilizer and Lime ($\frac{1}{2}$)	\$16.50 per acre
	Harvest ($\frac{1}{2}$)	\$10.00 per acre
	Haul 10 cents	\$ 3.50 per acre
	Drying at 12 cents ($\frac{1}{2}$)	\$ 4.20 per acre
	Landlords share expense	<u>\$52.20 per acre</u>

Income \$86.24
 Expense \$52.20
 \$34.08 Net Income Per Acre

Capitalization rate 8% or $34.08 \div 8 = 426.00$ per acre

Value \$425.00

 NO. 7 SOIL

65 Bu. per acre X 56 lbs. = 3,640 lbs. X \$4.40 per hundred = \$160.16 per acre ÷ 2 if landlords share 50% = \$80.08

Expenses:	Taxes, estimated on 10 year average	\$ 7.00 per acre
	Insurance	\$.50 per acre
	Seed, 4½ lbs. per acre	\$ 2.25 per acre
	Insecticides (½)	\$ 3.00 per acre
	Herbicides (½)	\$ 3.75 per acre
	Fertilizer and Lime	\$16.00 per acre
	Harvest (½)	\$10.00 per acre
	Haul at 10 cents	\$ 3.25 per acre
	Drying at 12 cents	\$ 3.90 per acre
	Landlord share expense	<u>\$49.65 per acre</u>

Income	\$80.08	
Expense	<u>\$49.65</u>	
	\$30.43	Net Income Per Acre

Capitalization rate 8% or 30.43 ÷ 8 = 380.37 per acre

Value \$375.00

 NO. 8 SOIL

60 Bu. per acre X 56 lbs. = 3,360 lbs. X \$4.40 per hundred = \$147.84 per acre ÷ 2 if landlords share 50% = \$73.42

Expenses:	Taxes estimated on 10 year average	\$ 6.00 per acre
	Insurance	\$.50 per acre
	Seed, 4 lbs. per acre (½)	\$ 2.00 per acre
	Insecticides (½)	\$ 2.75 per acre
	Herbicides (½)	\$ 2.75 per acre
	Fertilizer and Lime (½)	\$15.50 per acre
	Harvest (½)	\$10.00 per acre
	Haul at 10 cents	\$ 3.00 per acre
	Drying at 12 cents	\$ 3.60 per acre
	Landlord share expense	<u>\$46.10 per acre</u>

Income	\$73.42	
Expense	<u>\$46.10</u>	
	\$27.32	Net Income Per Acre

Capitalization rate 8% or 27.32 ÷ 8 = 341.50 per acre

Value \$325.00

 Note: The yield bases and expenses give a trend of values, as to establish a value and using these trends the following scale has been adopted that really corresponds with yields and soil types.

No.1 SOIL,	yield capability	95 Bu.	Value \$675.12 -- \$675.00 VALUE
No.2 SOIL,	yield capability	90 Bu.	Value \$618.25 -- \$625.00 VALUE
No.3 SOIL,	yield capability	85 Bu.	Value \$560.87 -- \$575.00 VALUE
No.4 SOIL,	yield capability	80 Bu.	Value \$518.25 -- \$525.00 VALUE
No.5 SOIL,	yield capability	75 Bu.	Value \$473.75 -- \$475.00 VALUE
No.6 SOIL,	yield capability	70 Bu.	Value \$426.00 -- \$425.00 VALUE
No.7 SOIL,	yield capability	65 Bu.	Value \$380.37 -- \$375.00 VALUE
No.8 SOIL,	yield capability	60 Bu.	Value \$341.50 -- \$325.00 VALUE
No.9 SOIL,	NO-yield listed in Soil Survey,	estimated farm value	\$150.00 VALUE

City of Seneca - Re-appraisal

In the 1964 appraisal, record shows business on main stree were given a front feet land value. Residential lots on main street are listed as the highest residential lot values in the City of Seneca. As the 1964 re-appraisal proceeded, lot value were lowered the furthur from main street the City extended.

Using the sales market, is very hard to establish a value. It more appears just what appeals to the buyer? Lots in the new addition, when comparing size , are selling as good or better than on main street.

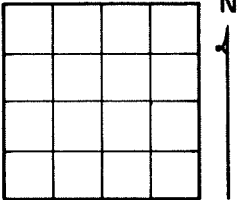
With better streets and roads, a lot of business have been established away from main street, it appears the ability to have plenty of parking space is a big drawing card for business, especially for Grocery Stores.

In trying to analysis sales of city lots, there appears to be a decline in value in the extreme South east corner of Seneca and a demand for property next to the Catholic Church.

In re-appraisal of lot value only, using the trend of vacant lot sales, I have placed a value of \$2,400 per city lot on all area within the city with a small portion in the South east part with a value of \$1,600 per lot. To this values business lots were given a 25% addition regardless where located. The lots next to the Catholic Church were given a 10% addition. Some minor adjustments were made, but none to exceed 25% of the original figure of \$2,400 per lot.

In the additions to Seneca, as Starlite Valley, Timber Creek, Sunset Ridge and Westpark, the lot sizes were measured and divided by the size of a regular lot in the City of Seneca, then valued accordingly. By using the above formula, a few of the business lot values on main street will receive a small decrease in value. All the out laying lot will take an increase with the business outlots taking the biggest increase. The total over all increase in value for the City of Seneca will be approximately 261.9 percent.

AGRICULTURAL

OWNER	Twp. or City	Sec. or Lot	Twp. or Blk.	Rng. or Map	Tract No.				
MAILING ADDRESS	U.S.D.	Bond No.	Cem. Dist.	Drg. Dist.	Water Shed	Hosp. Dist.	Fire Dist.	Lib. Dist.	Taxing Dist.
LEGAL DESCRIPTION					Total Acres				
	Record of Ownership				Date	Vol.	Page	Code	

Sub-Surface Estate			SCS Class	Sub Class	Rating	IRRIGATED			DRY-CROP			PASTURE & OR MEADOW (DRY)			RESTRICTED			ACRES	100% VALUE	30% VALUE
Severed <input type="checkbox"/>	Non Severed <input type="checkbox"/>					AC	P/A	TOTAL	AC	P/A	TOTAL	AC	P/A	TOTAL	AC	P/A	TOTAL			
Acres	Or	%	I	A																
Property Factors				B																
Type of Road			II	A																
Distance to Market		MI.		B																
Distance to School		MI.	III	A																
				B																
Terraces		AC	IV	A																
Grass Waterways		AC		B																
Shelter Belts		AC	V	A																
Ponds No.		AC		B																
Irrigation Data			VI	A																
Water Source				B																
Wells		No.	VII	A																
Depth	Ft.	Pump Size		In.	B															
Capacity		GPM.	VIII																	
Underground Pipe		Ft.	Roads and Railroad																	
Power																				
Type: Flood - Sprinkler - H.O. Auto.			TOTAL																	

	ASSESSMENT RECORD				
Less Exempt Assessed Value by K.S.A.					
		19	19	19	19
Sub Total					
Sub-Surface Estate					
		19	19	19	19
Improvements					

BUILDING RECORD

OCCUPANCY				DESIGN																		
Single Family				Hotel				Modern														
Two Family				Theater				Ranch Type														
Apartments				Drive In				Conventional														
Stores				Service Station				Design Factor														
Offices				Warehouse				Grade Factor														
Com. Garage				Industrial																		
				Farm																		
CONSTRUCTION				COMPUTATIONS																		
FOUNDATION		HEATING		UNIT		AMOUNT																
Concrete			Gravity Hot Air			S.F.																
Concrete Block			Forced Air																			
Brick or Stone			Hot Water Steam			Porches & Add'n.																
			Radiant Heating			Bsm't Area																
Piers			Floor Furnace			Finish Bsm't.																
BASEMENT				Unit Heaters		Finish Attic																
Full	¼	½	¾	Air Condition																		
No Basement				No Heat																		
WALLS				PLUMBING																		
Siding				Standard				Heating														
Shingle				Bath Room				Plumbing														
Stucco on Frame				Toilet Room				Air Cond.														
Brick Veneer				Sink or Lav.				TOTAL														
Brick or Stone on Masonry				Water Closet				G. & D. Fac.														
Stucco on Masonry				Water Heater				TOTAL														
Concrete Block				Urinal				Cost Fac.														
Plate Glass				Stall Shower				Repl. Value														
ROOF				No Plumbing																		
Asphalt Shingle				TILING				BUILDING		No.	CONST.	SIZE	RATE	GRADE	AGE	CDU	REPLACE COST	PHY. DEP.	ECON. FUNC. DEP.	LOC. ADJ.	100% VALUE	
Wood Shingle				Bath Fir. & WSCT				Dwelling														
Asbestos Shingle				Toilet Fir. & WSCT																		
Slate or Tile				OTHER FEATURES				Garage														
Metal				Finished Basement																		
Composition				Finished Attic																		
Roll Roofing				FLOORS				Comm. Bldg.														
				B	1	2	3															
Concrete				Part Masonry Walls																		
Pine				Fireplace																		
Hardwood				MISCELLANEOUS																		
Tile																						
Earth																						
FLOOR CONSTRUCTION																						
Wood Joist																						
Steel Joist																						
Mill Type																						
Rein. Concrete																						
Steel Frame																						
INTERIOR FINISH																						
				B	1	2	3															
Pine																						
Hardwood																						
Plaster Bd.																						
Fiber Bd.																						
Unfinished																						
				NUMBER OF ROOMS				LISTED		DATE							TOTAL VALUE					
				1st	2nd	3rd																

OWNER _____

MAILING ADDRESS _____

LEGAL DESCRIPTION _____

Twp. or City _____ Sec. or Lot. _____ Twp. or Blk. _____ Rng. or map _____ Tract No. _____

U.S.D. _____ Pond No. _____ Lem. Dist. _____ Big. Dist. _____ Water shed. _____ Hosp. Dist. _____ Fire Dist. _____ Lid. Dist. _____ Taxing Dist. _____

Total Acres _____

Record of Ownership _____ Date _____ Vol. _____ Page _____ Code _____

	Soil	Cap	Rating	IRRIGATED			DRY-CROP			Pasture, Waterways or Meadow (Dry)			RESTRICTED			ACRES	100% VALUE	50% VALUE
				AC	P/A	TOTAL	AC	P/A	TOTAL	AC	P/A	TOTAL	Road	Waste	Misc.			
Sub-Surface Estate	1	A																
Severed <input type="checkbox"/> Non Severed <input type="checkbox"/>		B																
Acres Or %	2	A																
Property Factors		B																
Type of Road	3	A																
Distance to Market MI.		B																
Distance to School MI.	4	A																
		B																
Terraces AC	5	A																
Grass Waterways AC		B																
Shelter Belts AC	6	A																
Ponds No. AC		B																
Irrigation Data	7	A																
Water Source		B																
Wells No.	8	A																
Depth Ft. Pump Size In.		B																
Capacity GPM.	9	A																
Underground Pipe Ft.		B																
Power		Roads and Railroad																
Type: Flood - Sprinkler - H.O. Auto.	TOTAL																	

Adjustments: Type of Road _____; Distance to Market _____; Distance to School _____; Rainfall _____; Final land Value _____

Less Exempt Assessed Value by K.S.A.	ASSESSMENT RECORD				
	19	19	19	19	19
Sub Total					
Sub-Surface Estate					
Improvements					
TOTAL	19	19	19	19	19



Ryan Aviation Corporation

1600 AIRPORT ROAD, MID-CONTINENT AIRPORT • WICHITA, KANSAS 67209
(316) 942-0141 TELEEX: 417 499
800-835-2707 UNICOM 122.95 CABLE: RYAN AVIA

February 13, 1984

TO WHOM IT MAY CONCERN:

At the present time, RAC has a Boeing 727 based in Wichita during the daylight hours so maintenance and other services can be performed. If this aircraft, as well as other aircraft flying passengers or cargo for hire are to have a personal property tax levied against them, the decision will be made to relocate them to another state. This would cause at least 10 full time jobs in Wichita to be eliminated or re-located to another state.

The commercial air carriers have initiated more overnight flights to Wichita during which time Ryan Aviation Corporation performs routine maintenance. If the property tax is reinstated, I am sure some of the air carriers would elect to overnight at other locations again costing support people employed in Kansas their jobs.

Hopefully the law enacted last year will be given a longer period of time to work towards the growth of jobs and commercial aviation growth in our Great State.

With respect,

RYAN AVIATION CORPORATION

Ronald D. Ryan
President

RDR:bg



February 13, 1984

Mr. Charles Belt
Wichita Chamber of Commerce
350 West Douglas
Wichita, Kansas 67202

Dear Charles:

I would like to make some comments about the latest proposal to place commercial aircraft back on the property rolls.

I realize our government must function and to do so it must finance itself through taxation. By the same token, it is my responsibility to operate Air Midwest as efficiently as possible. Last year Air Midwest collected over \$2.5 million in ticket and freight tax, paid \$1.2 million in income tax. Its employees paid another \$1.3 million in income taxes plus all the real estate, property and sales tax. There is no escape for these taxes. There are still states that do not have property tax assessment on commercial aircraft and it will be incumbent on me to research the possibility of maintenance bases in those tax free areas. We will be taking delivery of five new aircraft over the next two years with a value of \$25 million. With those aircraft go a compliment of approximately 45 pilots, 20 flight attendants and 20+ mechanics assigned to the location where those aircraft are maintained. Under the present tax exempt status, a Kansas location has a better than even chance for being selected for that base.

I honestly believe the state will have a net gain by not eliminating commercial aircraft from the exemption.

Sincerely,

Gary M Adamson
B.S.

Gary M. Adamson
President

GMA:cq