

Approved on: \_\_\_\_\_

Minutes of the House Committee on Assessment and Taxation. The meeting was called to order by E. C. Rolfs, Chairman, at 9:00 a.m. on January 18, 1985 in room 519 South at the Capitol of the State of Kansas.

All Members were present except:

Committee staff present:

Dr. Tom Severn, Legislative Research  
Ms. Melinda Hansen, Legislative Research  
Mr. Don Hayword, Reviser of Statutes  
Ms. Millie Foose, Committee Secretary

The chairman announced the time had arisen for consideration of the rules for the 1985 session. Representative Aylward moved, second by Representative Lowther, that the rules as proposed be adopted. Following discussion, Representative Lowther moved that smoking during Committee sessions be prohibited. Hearing no second, the chair declared the motion lost. The original motion prevailed.

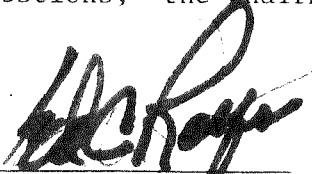
Mr. Vic Miller, Director of Property Valuation, explained the background of the Trending Factors study commissioned by the department of revenue with the University of Kansas. He outlined the changes that the Department had instituted as a result of the study.

Dr. Darwin Daicoff, Dr. Maurice Joy, and Dr. Allen Ford presented the study they had conducted on this issues for the Department. Dr. Daicoff reviewed the methodology employed and outlined his major conclusions. He emphasized that the major findings of the study concluded that there were significant deviations with market value in the area economics lives and the straight line depreciation method employed by the department.

He generally endorsed the changes PVD had made in response to the study's conclusions and felt that, with those changes, we would be closer at meeting our statutory mandate of approximating fair market value.

Dr. Joy explained that they had used assets in their study which had a readily determinable fair market value. They attempted to use assets with determinable fair market values in determining the accuracy of the use of the trending formula in determining the fair market value of assets which do not have an established market.

After extensive questions, the chairman adjourned the meeting at 10:45.

  
Ed C. Rolfs, Chairman

