

Approved On: 3-6-86

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 March 5, 1985 in room 519 South at the Capitol of the State of Kansas.

All members of the Committee were present.

Committee staff present:

Tom Severn, Legislative Research  
Melinda Hanson, Legislative Research  
Don Hayward, Reviser of Statutes  
Millie Foose, Committee Secretary

There was committee discussion on HB-2432, an act relating to property taxation; concerning the correction of certain clerical errors, with Linda Terrill, Chief Counsel for Board of Tax Appeals, explaining the bill. Representative Freeman and John Blythe, Kansas Farm Bureau, gave additional information on the bill.

Ms. Terrill also discussed HB-2434, an act relating to property taxation; concerning the administration thereof by certain authorities. Mr. Fred Weaver outlined several changes that might be made in the bill and Vic Miller requested that the committee make a decision on the changes. Keith Farrar suggested that changes be made as they were in SB-164.

Becky Crenshaw, legislative counsel for Kansas Farm Organizations, testified in support of HB-2460, an act relating to property taxation; concerning several exemptions therefrom. (Attachment 1)

Chairman Rolfs said that the subject matter contained in HB-2460 is so broad that leadership may be reluctant to run the bill and therefore, suggested that it be placed on the consent calendar. Representative Crowell moved, second by Representative Adam, that HB-2460 be recommended favorably and placed on the consent calendar. The motion passed.

Representative Crowell explained HB-2205, an act concerning the rate of interest on delinquent or unpaid taxes. He also said that interest should not be a punitive measure and that there is no justification for the 18% rate. He suggested that possibly a floating interest rate or index might be practical. There was discussion on penalties for late filing, not filing, or not paying taxes.

Bev Bradley, legislative coordinator for Kansas County Commissioners Association, testified in opposition to HB-2205, as the Kansas Association of Counties opposes the further erosion of the tax base. (Attachment 2)

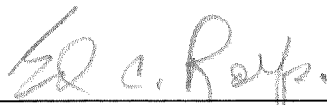
Gerry Ray, legislative liaison Johnson County Board of County Commissioners, also appeared as an opponent of HB-2205. She said the primary reason for imposing interest on delinquencies is not to create a revenue source but rather as a motivation for property owners to remain current on their tax payments. (Attachment 3)

Harley Duncan, Department of Revenue, opposes the bill and opposes adopting a floating rate at this time because this would complicate their work procedures. He said that possibly this would be practical within two years.

Janet Stubbs, Executive Director of Home Builders Association, said that the Association has no position on the bill but wants to have the ability to deal with special assessments.

Bill Edds and Harley Duncan explained HB-2547, an act relating to excise taxes, establishing certain exceptions to confidentiality requirements regarding information received in the administration of such taxes.

There being no further business, the chairman adjourned the meeting.



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Ed C. Rolfs, Chairman

Committee of . . .

## Kansas Farm Organizations

Becky Crenshaw  
Legislative Counsel  
Box 4842  
Topeka, Kansas 66604  
(913) 272-1271

March 5, 1985

Presented to House Committee on Assessment and Taxation

The Committee of Kansas Farm Organizations supports this legislation as a clean-up measure for this tax exemption. The inclusion of used farm storage and drying equipment built under federal loan storage specifications simply allows for equity in the application of this exemption.

The same is true for the inclusion of haylage and silage. We feel the drafters of this legislation did not intend to exclude the exemption of equipment used for storing haylage and silage.

We have no problem with the further definition of the term "farm trailers".



# Kansas County Commissioners Association

(ESTABLISHED IN 1912)

Member: KANSAS OFFICIAL COUNCIL

Official Publication: KANSAS GOVERNMENT JOURNAL

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## EXECUTIVE COMMITTEE

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V.Pres., Gary Hayslett, Kearny County  
Sec.-Treas., Leonard "Bud" Archer, Phillips County  
Dir., Mildred Baughman, Reno County  
Dir., Vernon Wentelken, Clay County  
Dir., Bruce Crain, Johnson County

March 5, 1985

Chairman Rolfs

Members House Assessment & Taxation Committee:

I am Bev Bradley, Legislative Coordinator KAC

Mr. Chairman and Members of the committee, thank you for the opportunity of appearing before you this morning. I appear today in opposition to HB 2205. The Kansas Association of Counties opposes the further erosion of the tax base. Granted the primary reason for the penalty on over due taxes is not a source of revenue, it does however provide some revenue to the county tax coffers. Primarily we feel that the 18% penalty is a deterrent for allowing taxes to go unpaid or become overdue. If taxes are not paid on time all of the other taxpayers have to make up the difference.

Counties do not want to be in the banking business. We feel the penalty should be substantially higher than the current bank rates.

JOHNSON COUNTY KANSAS

*Office of the Board of County Commissioners*

JOHNSON COUNTY COURTHOUSE  
OLATHE, KANSAS 66061  
782-5000

HOUSE ASSESSMENT AND TAXATION COMMITTEE

HEARING ON HOUSE BILL NO. 2205

TUESDAY, MARCH 5, 1985

TESTIMONY OF GERRY RAY, LEGISLATIVE LIAISON  
JOHNSON COUNTY BOARD OF COMMISSIONERS

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE. MY NAME IS GERRY RAY, LEGISLATIVE LIAISON FOR THE JOHNSON COUNTY BOARD OF COMMISSIONERS. I APPEAR TODAY AS AN OPPONENT OF HOUSE BILL 2205, WHICH REDUCES THE INTEREST ON DELIQUENT TAX FROM 18% TO 12%.

THE PRIMARY REASON FOR IMPOSING INTEREST ON DELIQUENCIES IS NOT TO CREATE A REVENUE SOURCE, BUT RATHER AS A MOTIVATION FOR PROPERTY OWNERS TO REMAIN CURRENT ON THEIR TAX PAYMENTS. A SPOT CHECK OF CURRENT INTEREST RATES INDICATES SEVERAL BANKS ARE CHARGING FROM 14.5% TO 18% ON UNSECURED CONSUMER LOANS AND 11.8% TO 14% ON COMMERCIAL LOANS. MASTER CARD HAS A RATE OF 21% FOR ACCOUNTS OVER 30 DAYS. IN VIEW OF THESE RATES 18% DOES NOT SEEM UNREASONABLE AS AN INCENTIVE TO KEEP DELIQUENCIES AT A MINIMUM.

THE COMMISSIONERS ARE CONCERNED THAT DELIQUENCIES MAY TEND TO INCREASE IF THE RATE IS LOWERED AND FAIL TO UNDERSTAND WHY CITIZENS WHO PAY THEIR TAXES ON TIME SHOULD SUBSIDIZE THOSE WHO DO NOT. WE WOULD REQUEST THAT THE CURRENT 18% RATE BE RETAINED.