

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 March 25, 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

The chair called for continued discussion of SB-198. Representative Lowther requested unanimous consent to suspend the rules and delete his amendment dealing with good faith appeals. There being no objection, the chair declared the amendment withdrawn. Representative Lowther moved, second by Representative Wagnon, that SB-198 be reported favorably. The motion passed.

Chairman Rolfs suggested that the effective date for the 90 day amnesty provision which was added to SB-31 be changed from July 1 thru September 30 to November 1 thru January 31. Representative Vancrum moved, second by Representative Crowell that the committee reconsider its action on SB-31 and that the 90-day amnesty be November 1 through January 31. The motion carried. Representative Leach moved, second by Representative Spaniol, that the penalty for undervalued property be changed from 100% to 50%. The motion carried. Representative Fox moved, second by Representative Leach, that Sb-31 as amended be reported favorably. The motion carried.

SB-164, an act calling for statewide reappraisal of property was considered. Representative Smith moved, second by Representative Moomaw, that SB-164 be amended to provide that the classification of property for taxation purposes has been submitted to the qualified electors of the state for their approval or rejection prior to the implementation of reappraised values. (Attachment 1) The motion passed. Representative Patterson moved, second by Representative Aylward, that SB-164 as amended be reported favorably. Representative Reardon moved, second by Representative Leach, that action on SB-164 be postponed until the committee has considered HCR-5018. The motion lost. The original motion carried.

Representative Lowther moved, second by Representative Roe, that HCR-5018 be reported favorably. Representative Reardon proposed a conceptual motion, second by Representative Leach, that HCR-5018 be further amended to specify that business equipment and machinery be depreciated straight line for its economic life, either use value or 9% of fair market value could be used for agricultural land, and vacant lots at 12%. The questions were divided on request of Representative Erne. A vote was taken on each item and each motion carried.

Representative Lowther moved, second by Representative Roe, that the measure be reported favorably as amended. Representative Moomaw proposed a substitute motion, second by Representative Crowell, that the committee insert HCR-5004 with certain revisions and proceed with that instead of with HCR-5018. The motion lost.

Representative Crowell moved, second by Representative Moomaw, that the rate on agricultural land be lowered from 9% to 7%. The motion lost.

Representative Leach moved, second by Representative Fry, that the rate on agricultural land be lowered from 9% to 8%. The motion lost.

Representative Leach moved, second by Representative Moomaw, that the resolution be tabled. The motion lost.

The original motion prevailed.

The minutes of March 22 were reviewed. There being no changes, they were approved as presented.

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



Ed C. Rolfs, Chairman

Proposed amendment to SB 164
(As Amended by Senate Committee of the Whole)

On page 4, in line 142, by striking all after "until"; in line 143, by striking all before the period and inserting "the later of January 1, 1989, or January 1 of the year next following the year in which a proposition to amend section 1 of article 11 of the Kansas constitution to provide for the classification of property for taxation purposes has been submitted to the qualified electors of the state for their approval or rejection"

1984 PROPERTY VALUES
 *** STATE TOTALS ***

CLASS OF PROPERTY	1984 ASSESSED VALUATION	% OF TOTAL	ESTIMATED MARKET VALUE	% OF TOTAL	ESTIMATED ASSESSED VALUE (30%)	% OF TOTAL	PROPOSED RATIO	PROPOSED ASSESSED VALUATION	% OF TOTAL
1 RURAL REAL ESTATE									
2 AGR(INCL MIN INTS)	\$1,668,535,809	15.1%	32,147,942,722	31.7%	9,644,332,817	31.7%	9	2,713,314,845	18.1%
3 HOMESITES, PL SUBDIVS	283,105,024	2.6	4,768,918,378	5.0	1,430,675,513	5.0	12	572,270,285	3.8
4 SMT INDUSTR, COMM	151,661,109	1.4	2,355,579,761	2.5	715,793,928	2.5	30	715,793,928	4.8
5 TOTAL RURAL REAL	2,103,301,942	19.0	37,302,840,861	39.2	11,190,852,258	39.2		4,021,378,979	26.0
6 URBAN REAL ESTATE									
7 RESIDENTIAL (INCL MIN INT)	2,074,071,981	18.7	25,284,848,120	25.6	7,585,454,436	25.6	12	3,234,181,774	22.3
8 MULTI-FAMILY	204,542,258	1.8	2,197,859,281	2.3	659,357,484	2.3	12	263,742,994	1.8
9 COMMERCIAL	787,833,447	7.1	8,405,201,611	8.8	2,521,560,483	8.8	30	2,521,560,483	16.9
10 INDUSTRIAL	105,217,563	1.0	935,688,761	1.0	280,705,628	1.0	30	280,705,628	1.9
11 VACANT LOTS	46,494,215	0.4	1,826,552,451	1.9	547,965,735	1.9	30	547,965,735	3.7
12 TOTAL URBAN REAL	3,218,159,474	29.1	38,650,149,224	40.6	11,595,044,767	40.6		6,648,157,615	44.5
13 TOTAL REAL ESTATE	5,321,461,416	48.1	75,952,990,085	79.8	22,785,897,025	79.8		10,649,536,594	71.2
14 STATE ASSESSED									
15 RAILROADS - RURAL	163,543,259	1.5	545,144,233	0.6	163,543,270	0.6	10	98,125,562	0.7
16 RAILROADS - URBAN	29,536,992	0.3	98,456,638	0.1	29,536,991	0.1	18	17,722,195	0.1
17 ALL OTHER - RURAL	1,577,361,700	14.2	5,257,872,333	5.5	1,577,361,700	5.5	30	1,577,361,700	10.5
18 ALL OTHER - URBAN	449,240,923	4.1	1,497,469,745	1.6	449,240,924	1.6	30	449,240,924	3.0
19 TOTAL STATE ASSESSED	2,219,682,884	20.0	7,398,942,949	7.8	2,219,682,885	7.8		2,142,450,780	14.3
20 OIL & GAS PRODUCTION									
21 OIL (RURAL & URBAN)	1,038,827,814	9.4	3,462,759,380	3.5	1,038,827,814	3.6	30	1,038,827,814	6.9
22 GAS (RURAL & URBAN)	747,360,198	6.7	2,491,200,661	2.6	747,360,198	2.6	30	747,360,198	5.0
23 TOTAL OIL & GAS PROD	1,786,188,012	16.1	5,953,960,041	6.3	1,786,188,012	6.3		1,786,188,012	11.9
24 RURAL PERSONAL PROPERTY OTHER THAN OIL & GAS PRODUCTION									
25 VEHICLES	20,955,182	0.2	69,850,610	0.1	20,955,183	0.1	30	20,955,183	0.1
26 MACHINERY & EQUIPMENT	168,797,285	1.5	562,657,619	0.6	168,797,285	0.6	10	56,265,762	0.4
27 MERCHANTS INVENTORY	48,522,333	0.4	161,741,107	0.2	48,522,332	0.2	0	0	0.0
28 MANUFACTURERS INVENTORY	126,461,756	1.1	421,539,184	0.4	126,461,755	0.4	0	0	0.0
29 ALL OTHER BUSINESS	37,327,316	0.3	124,424,385	0.1	37,327,316	0.1	10	12,442,439	0.1
30 LIVESTOCK	139,104,214	1.3	463,680,719	0.5	139,104,216	0.5	0	0	0.0
31 MISCELLANEOUS	87,600,804	0.8	292,002,643	0.3	87,600,793	0.3	10	29,222,264	0.2
32 TOTAL	628,768,891	5.7	2,095,896,267	2.2	628,768,880	2.2		118,863,648	0.8
33 URBAN PERSONAL PROPERTY OTHER THAN OIL & GAS PRODUCTION									
34 VEHICLES	41,565,353	0.4	138,551,177	0.1	41,565,353	0.1	30	41,565,353	0.3
35 MACHINERY & EQUIPMENT	438,091,416	4.0	1,460,304,716	1.5	438,091,415	1.5	10	146,030,472	1.0
36 MERCHANTS INVENTORY	300,182,922	2.7	1,000,609,737	1.1	300,182,921	1.1	0	0	0.0
37 MANUFACTURERS INVENTORY	133,247,488	1.2	444,158,293	0.5	133,247,488	0.5	0	0	0.0
38 ALL OTHER BUSINESS	122,138,111	1.1	407,127,041	0.4	122,138,112	0.4	10	40,712,704	0.3
39 LIVESTOCK	315,474	.0	1,051,578	.0	315,473	.0	0	0	0.0
40 MISCELLANEOUS	82,232,140	0.7	274,107,135	0.3	82,232,141	0.3	10	27,410,714	0.2
41 TOTAL	1,117,772,904	10.1	3,725,909,677	3.9	1,117,772,903	3.9		355,719,242	1.7
42 FARM MACHINERY	0	0.0	0	0.0	0	0.0	0	0	0.0
43 BUSINESS AIRCRAFT	0	0.0	0	0.0	0	0.0	0	0	0.0
44 GRAND TOTAL	11,073,874,107	100.0%	55,127,699,019	100.0%	29,538,305,705	100.0%		14,952,758,276	100.0%

House Concurrent Resolution No. 5018A

PERCENTAGE OF 1984 STATEWIDE ASSESSED VALUATION
BY ECONOMIC CLASS

Economic Class	Class of Property	(1) Current Percent	(2) Uniform & Equal	(3) Proposed Ratio	(4) Subject Proposal

Agriculture	Ag Land	15.1%	31.7%	9	18.1%
	Livestock	1.3%	0.5%	0	0.0%
	Farm Machinery	0.0%	0.0%	0	0.0%
		16.3%	32.2%		18.1%
Commerce and Industry					
	Rural Ind & Comml	1.4%	2.5%	30	4.8%
	Urban Commercial	7.1%	8.8%	30	16.9%
	Urban Industrial	1.0%	1.0%	30	1.9%
	Rural Merch Inv	0.4%	0.2%	0	0.0%
	Rural Manuf Inv	1.1%	0.4%	0	0.0%
	Rural Mach & Eq	1.5%	0.6%	10	0.4%
	All Other Rur Bus	0.3%	0.1%	10	0.1%
	Urban Merch Inv	2.7%	1.1%	0	0.0%
	Urban Manuf Inv	1.2%	0.5%	0	0.0%
	Urban Mach & Eq	4.0%	1.5%	10	1.0%
	All Other Urb Bus	1.1%	0.4%	10	0.3%
	Business Aircraft	0.0%	0.0%	0	0.0%
		21.8%	17.1%		25.2%
Residential					
	Urb Single-Family	18.7%	26.6%	12	20.3%
	Urb Multi-Family	1.8%	2.3%	12	1.8%
	Rural Residences	2.6%	5.0%	12	3.8%
		23.1%	33.9%		25.9%
State-Assessed Utilities					
	Railroads	1.7%	0.7%	18	0.8%
	Other Utilities	18.3%	7.1%	30	13.6%
		20.0%	7.8%		14.3%
Other Properties					
	Oil and Gas Prod	16.1%	6.3%	30	11.9%
	Vacant Lots	0.4%	1.9%	30	3.7%
	Vehicles	0.6%	0.2%	30	0.4%
	Miscellaneous	1.5%	0.6%	10	0.4%
		18.6%	9.0%		16.4%
	Grand Total	100.0%	100.0%		100.0%

NOTE: Details may not add due to rounding.

AMENDMENT TO HCR 5018

- yes* 1. Include business equipment and machinery, but depreciated straight line for the economic life of the equipment, and
- yes* 2. Modify the use value provision so that EITHER use value OR 9% of fair market value could be used for agricultural land, and
- yes* 3. Vacant lots at 12%

(Use value should be subject to the recapture provisions)

Reardon