

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation

The meeting was called to order by Senator Fred A. Kerr at
Chairperson

11:00 a.m./~~p.m.~~ on Monday, February 4, 1985 in room 526-S of the Capitol.

All members were present except:

Senators Frey (Excused), Karr (Excused), Mulich (Excused) and Thiessen (Excused)

Committee staff present:

Tom Severn, Research Department
Melinda Hanson, Research Department
Don Hayward, Revisor's Office
LaVonne Mumert, Secretary to the Committee

Conferees appearing before the committee:

Bill Curtis, Kansas Association of School Boards
Eugene Bryan, Jr., McPherson County Appraiser
Bev Bradley, Kansas Association of Counties
Chip Wheelen, Kansas Legislative Policy Group
Vic Miller, Division of Property Valuation, Department of Revenue

Senator Burke moved that the minutes of the January 31, 1985 meeting be approved. Senator Allen seconded the motion, and the motion carried.

S.B. 94 - Valuation guides for property taxation; changes

Bill Curtis said his association had asked that S.B. 94 be introduced because of a problem that occurred last year in McPherson County. In February, 1984, McPherson County was notified that the valuation of a piece of property within the school district was to be lowered on the 1983 valuation. This would have caused a loss of some \$351,000 to the school district and would have caused the issuance of no-fund warrants if the county commissioners had not been able to negotiate the figure down. Mr. Curtis said there are a number of school districts in Kansas where a single piece of property does provide a substantial portion of the funding. The bill provides that after August 26, the Property Valuation Department cannot issue guides which change valuations for that year.

Eugene Bryan, Jr. testified in favor of the bill. Answering a question from Chairman Kerr, he said he knows of no adverse effects concerning the date of August 26, as far as appraisers are concerned.

Bev Bradley testified in favor of the bill (Attachment 1).

Chip Wheelen read his written testimony (Attachment 2). He raised concerns that the bill be specific that the August 26 deadline would not apply to the ensuing year, but would apply to the current year.

Vic Miller said he is in sympathy with the intent of the bill. He offered some clean-up recommendations for S.B. 94.

Senator Parrish moved that the word "proposed" be stricken from line 64 of S.B. 94. Senator Hayden seconded the motion, and the motion carried. Senator Allen moved that line 69 be amended to read: "prescribed by the director of property valuation for use by". Senator Hayden seconded the motion, and the motion carried. Senator Parrish moved that the date in line 70 of the bill be "July 1" rather than "August 26" and that lines 73 through 79 be amended as follows: "established for such year.". Senator Hayden seconded the motion, and the motion carried. Senator Hayden moved that the bill, as amended, be recommended favorably for passage. Senator Montgomery seconded the motion, and the motion carried.

Meeting adjourned.

ASSESSMENT AND TAXATION

OBSERVERS
(PLEASE PRINT)

DATE	NAME	ADDRESS	REPRESENTING
2/4/85	Clark P. Young	Topeka	Intim - Sen. Fred Kern
2/4/85	VIC MILLER	"	PVP
"	Dave Litwin	"	KCCF
"	Chip Wheeler	"	Legis. Policy Group
"	Susan Schroeder	"	Budget Division
2/4/85	BOB BRADLEY	Lawrence KS	KS Assoc Counties
2-4-85	Willis Hatfield	McPherson Ks.	McPherson Co.
"	Eugene Bryan Jr	McPherson	McPherson Co.
"	Dana F. Smith	Topeka	Budget
"	Jacque Dakes	Yates Center	KASB
"	Bill Curtis	Topeka	KASB
"	Rich McKee	"	K.A.A.
"	Francis Kastner	"	Ks Food Dealers
"	Allan Cot	Lawrence	Interna Sen. KAN
	M. Haver	Topeka	Cap-Jour

Kansas Association of Counties

Serving Kansas Counties

Attachment 1

Suite D, 112 West Seventh Street, Topeka, Kansas 66603

Phone 913 233-2271

February 4, 1985

Senate Committee on Assessment and Taxation:

The Kansas Association of Counties wishes to support Senate Bill 94.

The Platform of the Kansas Association of Counties as adopted on the floor of the annual meeting, Nov. 13, 198~~5~~₄ addresses this issue as follows:

2. PROPERTY TAXATION - We request that K.S.A. 79-1412a be amended by the addition of the following:

(b) The director of property valuation shall give notice to county and district appraisers and county boards of equalization of any proposed changes in the guides, schedules or methodology for use in valuing property prescribed to the county and district appraisers for use in setting values for property within the county or district. Changes and modifications in guides, schedules or methodology for use in valuing property which are prescribed by the director of property valuation and certified to county and district appraisers on or after August 26 in any year shall not be utilized in establishing the value, for the current tax year, of any property, the value of which has previously been established for such year unless the county board of equalization shall determine and certify to the county or district appraiser findings that such changes or modifications are in the best interests of the county and taxing subdivisions located therein and will not disrupt the orderly and timely execution of budgetary and taxing procedures prescribed by law for such year.



Kansas Legislative Policy Group

200 Jayhawk Tower, 700 Jackson, Topeka, Kansas 66603, 913-233-2227

February 4, 1985

TESTIMONY TO
SENATE ASSESSMENT AND TAXATION COMMITTEE
Senate Bill 94, as Introduced

Mr. Chairman and members of the Committee, my name is Chip Wheelen and I represent the Kansas Legislative Policy Group. The KLPG is an organization of elected County Commissioners from primarily rural areas of the State. We appear today neither to support nor to oppose SB 94 but instead, to express our concerns regarding one aspect of the bill in its current form.

As you may know, most of the member counties of the KLPG are fortunate to have significant mineral production and assessed valuation attributable thereto. As you may also know, the oil and gas valuation guide, which prescribes the methodology employed for purposes of appraising mineral properties, is updated annually. This guide incorporates factors reflecting the most current information available pertaining to mineral production in order to achieve the best possible appraisal of true market value of a given mineral property. Because the oil and gas industry operates in a frequently changing marketplace, the valuation guide is oftentimes adopted late in the year preceding the tax year of the guide, that is, after August 26th.

We recognize that the new statutory language contained in subsection (b) of Section 1 is permissive inasmuch as county boards of equalization are delegated authority to decide whether a new valuation guide shall be employed. We are confident that our member counties would work together to assure up-to-date, uniform appraisal of oil and

gas properties, but we have no guarantee that other counties would do the same. Consequently, we are concerned about the possible problems that might arise if SB 94 is enacted in its current form.

We are not here to plead on behalf of the oil and gas industry. Our concerns relate specifically to questions of equity and uniformity in the appraisal process.

Thank you for your time and consideration.