

MINUTES OF THE Senate COMMITTEE ON Assessment and TaxationThe meeting was called to order by Senator Fred A. Kerr at
Chairperson8:00 & 526-S &
11:00 a.m./~~XXX~~ on Thursday, February 28, 1985 in room 519-S of the Capitol.All members were present ~~XXXX~~

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:

Vic Miller, Property Valuation Division
Bev Bradley, Kansas Association of Counties
Robert C. Gardner, Kansas Appraisers Association
David Litwin, Kansas Chamber of Commerce and Industry
Chip Wheelen, Kansas Legislative Policy Group
Ron Gaches, United Telephone
Marian Warriner, League of Women Voters of Kansas
John Blythe, Kansas Farm Bureau
John Koepke, Kansas Association of School Boards
Fred Weaver, Board of Tax Appeals
Ernie Mosher, League of Kansas Municipalities

S.B. 164 - Statewide reappraisal of property; aggregate levy limit on taxing subdivisions

Copies of S.B. 164 with the supplemental note outlining the bill were distributed to the Committee (Attachment 1).

Vic Miller suggested several amendments to the bill. He prefers that an advisory committee be ad hoc rather than statutorily created. Mr. Miller said that he feels the review procedure should be the responsibility of his office rather than the Board of Tax Appeals. He also suggests that any changes in real property assessments by any board of equalization be reviewed by his office. Mr. Miller said that reappraisal should be deliberate, carefully done and without undue haste. He noted that it is important that the process be adequately financed. He further suggested that a cap rate for use value of ag land be set out in S.B. 164. He does not feel it is necessary to have a centralized computer system, but rather a distributed system so that his office is able to review information to determine whether any given county is in compliance. Mr. Miller discussed the importance of a uniform software package. He expressed sympathy for the counties' desire for autonomy. Chairman Kerr asked Mr. Miller what would occur within the next year if the bill passes. Mr. Miller replied that decisions would be required on software and hardware, hiring consultants and examining mapping requirements. He feels mapping is absolutely essential to carry out a successful reappraisal program. Secretary Harley Duncan advised that they estimate the FY 86 costs to be 1.8 million dollars. He said some of this will involve one-time costs, such as software. He advised that, in subsequent years, the personnel costs will remain relatively flat but the data processing costs will rise. Mr. Duncan noted that these costs are assuming reappraisal of 1.7 million parcels. Mr. Miller explained that he does not want to have to reprocess information from the counties. He said, at a minimum, it is essential that the information be compatible and match from county to county. He feels that any financial hardships on those counties who have incompatible systems should be addressed.

Bev Bradley read her written testimony (Attachment 2). She testified that the counties object to a state-controlled computer system and would prefer to use a concept such as mini-computers. They recommend that the county appraisers do the reappraisal work. The association strongly supports the advisory committee concept set out in the bill.

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Robert Gardner read his statement (Attachment 3). The county appraisers support a concept of the counties supplying a tape with the necessary information to the state. They also support the advisory committee as described in S.B. 164. Mr. Gardner said they feel that mapping is important, and he mentioned that outside firms might be needed to do the reappraisal. He feels that the 3 1/2 year time frame set out in the bill might be "pushing it". Mr. Gardner said his personal opinion is that a 10-year phase-in plan is undesirable.

David Litwin read his testimony (Attachment 4) in support of the bill. He said that they do not support pre-empting the power of local appraisers but do feel it is essential that the Director of PVD has some authority to see that assessments are in line. Mr. Litwin suggested that the Committee may wish to consider reducing the 8-year period specified for averaging productivity in use value assessments. They support the enforcement provisions set out in Section 4 and also the comprehensive limits on the revenue growth of taxing subdivisions.

The meeting was adjourned until 11:00.

* * * * *

Chairman Kerr said he had met further with officials from the Department of Revenue and from the counties and that agreement had been reached for S.B. 164 on language pertaining to the computer system and to the advisory committee.

Chip Wheelen summarized his written statement (Attachment 5). He endorsed the amendments relating to the advisory committee and the computer system which are being drafted.

Ron Gaches testified in support of S.B. 164. He stressed the necessity of moving forward as soon as possible with reappraisal. He commented that he feels some sort of provision should be made to ensure that the state has the authority to keep the counties in compliance with assessments. Mr. Gaches recommended that if a phase-in is to be used, the assessments need to be continually updated so that the figures are current at the end of the phase-in period.

Marian Warriner summarized her written testimony (Attachment 6) in support of the bill.

John Blythe read his testimony (Attachment 7). Farm Bureau urges that reappraisal be conducted and implemented in all counties at the same time. They feel that classification should only be addressed after reappraisal is completed. They also recommend that ag land be assessed with use value appraisal and that livestock be exempt. Mr. Blythe explained a suggested amendment (page 3 of his statement) for establishing a capitalization rate.

John Koepke reviewed his written statement (Attachment 8). He testified that his association has been a long-standing advocate of reappraisal. He pointed out that school districts, in effect, are penalized by the decline in assessments that have taken place on certain property. Mr. Koepke discussed the perception of "fairness" in property taxation and the increasing difficulties in school funding. He stressed that there must be a greater element of state control to see that values are kept current. Mr. Koepke agreed with the statement made by Mr. Gaches that any phase-in plan must have a "moving target". Mr. Koepke talked about the ad hoc committee on school finance. He said their recommendation is that school funding be a one-third each mix of property, income and sales taxes. He noted that the recommendations of the ad hoc committee would be enhanced by a classification amendment. This committee also recommends that assessed valuations be used rather than adjusted assessed valuations. Senator Frey mentioned that, in percentages, the property tax burden is less than it ever has been. Mr. Koepke agreed that this is true, but pointed out that perception is more important than reality.

Fred Weaver discussed keeping in mind the duties of the various entities involved in appraisal and the importance of oversight. He cautioned against

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tying any rate to federal legislation programs. Mr. Weaver noted that he recommends that the words "state" or "county" be added to the word "board" throughout the bill. He endorsed the amendments recommended by PVD. He suggested that a provision be made on page six of the bill to allow the counties to be able to come to the Board as well as PVD. Mr. Weaver expressed concern that any adjustments (page 11, section 10) be reported. He pointed out that county commissioners are not appraisers.

Ernie Mosher told the Committee that the debt limit and the tax lid are workable at the local level.

Senator Hayden moved that the minutes of the February 27, 1985 meeting be approved. Senator Mulich seconded the motion, and the motion carried.

Meeting adjourned.

ASSESSMENT AND TAXATION

OBSERVERS
(PLEASE PRINT)

| DATE | NAME | ADDRESS | REPRESENTING |
|-----------------|--------------------|---------------|--------------------------------|
| 8:00 2/28/85 | CHARLES BELT | WICHITA | WICHITA CHAMBER OF COMMERCE |
| 2/28/85 | JOHN KOEPLER | TOPEKA | KASPS |
| " | Richard D. Kready | " | KPL Gas Service Co. |
| | BILL ABBOTT | WICHITA | BOEING |
| | RON GACHES | TOPEKA | UNITED TELE |
| | Dan Schuack | Topeka | ILLIOGA |
| | Pat Hubbell | Topeka | Kanason Railroad Assn. |
| | Rich McKee | Topeka | K.H.A. |
| | D. WAYNE ZIMMERMAN | TOPEKA | THE ELECTRIC CO. ASSOC. OF KS. |
| | Randy Burleson | Columbus | Empire District Elec. |
| | Carol Wilson | Topeka | KAC |
| | JEFF FLORA | OVERLAND PARK | WESTERN ASS'N. |
| | GENE SAGER | HAYS | Western Retail Assn. |
| | KEITH FARRAR | Topeka | ST Bd of Tax Appeals |
| | Marvin Starmer | Lawrence | LWLR |
| | Spencer Kastner | Topeka | K2 Food Dealers |
| | Dan Linn | " | K.C.C.F. |
| | BILL EDD'S | " | REVENUE |
| | VIC MILLER | " | FID |
| | Harley Duncan | " | Dyab of Revenue |
| | Chp Wheelen | " | Leg. Policy Group |
| | BOB BRADLEY | LAWRENCE | KS Assoc Counties |
| | Gary Smith | Topeka | KCAA |
| | Robert Gardner | Wyandotte Co | KCAA |
| | DANA FERRELL | Topeka | Budget |

SENATE BILL No. 164

By Committee on Assessment and Taxation

2-6

SUPPLEMENTAL NOTE ON SENATE BILL NO. 164**As Introduced by Senate Committee on
Assessment and Taxation**

0018 AN ACT relating to the taxation of tangible property; mandating
0019 a program of statewide reappraisal of real property; providing
0020 for the administration of such program and duties of certain
0021 state and county officers; prescribing limitations upon the
0022 levy of taxes upon tangible property by taxing districts after
0023 implementation of valuations determined under such reap-
0024 praisal program and providing for exemptions therefrom;
0025 amending K.S.A. 79-1412a, 79-1460 and 79-1602 and repealing
0026 the existing sections; also repealing K.S.A. 79-1437b, 79-1440
0027 and 79-1452 to 79-1454, inclusive.

0028 *Be it enacted by the Legislature of the State of Kansas:*

0029 New Section 1. The director of property valuation is hereby
0030 directed and empowered to administer and supervise a state-
0031 wide program of reappraisal of all real property located within
0032 the state. Except as otherwise authorized by K.S.A. 19-428, and
0033 amendments thereto, each county shall comprise a separate
0034 appraisal district under such program, and the county appraiser
0035 shall have the duty of reappraising all of the real property in the
0036 county pursuant to guidelines and timetables prescribed by the
0037 director of property valuation and of updating the same on an
0038 annual basis. In the case of multi-county appraisal districts, the
0039 district appraiser shall have the duty of reappraising all of the
0040 real property in each of the counties comprising the district
0041 pursuant to such guidelines and timetables and of updating the
0042 same on an annual basis. Following completion of the statewide
0043 program of reappraisal, every parcel of real property shall be
0044 actually viewed and inspected by the county or district appraiser
0045 once every four years. The director shall require the initiation of
0046 such program of statewide reappraisal immediately after the
0047 effective date of this act.

Brief of Bill*

S.B. 164, as introduced, would require that a statewide gathering of reappraised values of property for tax purposes be conducted over a 3 1/2 year period and that the reappraisal be completed not later than January 1, 1989. The bill would also impose a uniform tax lid from which taxing subdivisions could exempt themselves after the first year of its imposition. A section-by-section analysis of the bill follows.

Section 1 requires that the Director of Property Valuation initiate, administer and supervise a statewide program of gathering of reappraised values of all real property in the state, which is to be completed by January 1, 1989. The duty of reappraising real property would rest with the county or district appraisers within their respective jurisdictions and that duty would be accomplished in accordance with guidelines and timetables prescribed by the Director. The reappraised values would be updated annually, and the appraiser would be required to actually view and inspect each parcel of real property once every four years following reappraisal. The valuation for each parcel of real estate would be established at its fair market value in money in accordance with K.S.A. 79-503a. Values for land devoted to agricultural use also would be established on the basis of agricultural productivity (use-value). Finally, the section would prohibit the reappraised values from being applied as the basis for the levy of taxes until the reappraisal has been completed (January 1, 1989) and authorized by legislative enactment.

* Bill briefs are prepared by the Legislative Research Department and do not express legislative intent.

0048 Compilation of data for the initial preparation or updating of
0049 inventories for each parcel of real property and entry thereof into
0050 the state computer system as provided for in section 2 of this act
0051 shall be completed not later than January 1, 1989. Whenever the
0052 director determines that reappraisal of all real property within a
0053 county is complete, notification thereof shall be given to the
0054 governor and to the state board of tax appeals.

0055 Valuations shall be established for each parcel of real property
0056 at its fair market value in money in accordance with the provi-
0057 sions of K.S.A. 79-503a, and amendments thereto.

0058 In addition thereto valuations shall be established for each
0059 parcel of land devoted to agricultural use upon the basis of the
0060 agricultural income or productivity attributable to the inherent
0061 capabilities of such land in its current usage under a degree of
0062 management reflecting median production levels in the manner
0063 hereinafter provided. A classification system for all land devoted
0064 to agricultural use shall be adopted by the director of property
0065 valuation using criteria established by the United States depart-
0066 ment of agriculture soil conservation service. Productivity of
0067 land devoted to agricultural use shall be determined for all land
0068 classes within each county or homogeneous region based on an
0069 average of the eight calendar years immediately preceding the
0070 calendar year which immediately precedes the year of valuation,
0071 at a degree of management reflecting median production levels.
0072 The director of property valuation shall determine median pro-
0073 duction levels based on information available from state and
0074 federal crop and livestock reporting services, the soil conserva-
0075 tion service, and any other sources of data that the director
0076 considers appropriate.

0077 The share of net income from land in the various land classes
0078 within each county or homogeneous region which is normally
0079 received by the landlord shall be used as the basis for determin-
0080 ing agricultural income for all land devoted to agricultural use
0081 except pasture or rangeland. The net income normally received
0082 by the landlord from such land shall be determined by deducting
0083 expenses normally incurred by the landlord from the share of the
0084 gross income normally received by the landlord. The net rental

0085 income normally received by the landlord from pasture or
0086 rangeland within each county or homogeneous region shall be
0087 used as the basis for determining agricultural income from such
0088 land. The net rental income from pasture and rangeland which is
0089 normally received by the landlord shall be determined by de-
0090 ducting expenses normally incurred from the gross income nor-
0091 mally received by the landlord. Commodity prices and pasture
0092 and rangeland rental rates and expenses shall be based on an
0093 average of the eight calendar years immediately preceding the
0094 calendar year which immediately precedes the year of valuation.
0095 Net income for every land class within each county or homoge-
0096 neous region shall be capitalized at a rate or rates prescribed by
0097 the legislature.

0098 Based on the foregoing procedures the director of property
0099 valuation shall make an annual determination of the value of
0100 land within each of the various classes of land devoted to agri-
0101 cultural use within each county or homogeneous region and
0102 furnish the same to the several county appraisers who shall
0103 classify such land according to its current usage and apply the
0104 value applicable to such class of land according to the valuation
0105 schedules prepared and adopted by the director of property
0106 valuation under the provisions of this section.

0107 For the purpose of the foregoing provisions of this section the
0108 phrase "land devoted to agricultural use" shall mean and include
0109 land, regardless of whether it is located in the unincorporated
0110 area of the county or within the corporate limits of a city, which is
0111 devoted to the production of plants, animals or horticultural
0112 products, including but not limited to: Forages; grains and feed
0113 crops; dairy animals and dairy products; poultry and poultry
0114 products; beef cattle, sheep, swine and horses; bees and apiary
0115 products; trees and forest products; fruits, nuts and berries;
0116 vegetables; nursery, floral, ornamental and greenhouse products.
0117 Land devoted to agricultural use shall not include those lands
0118 which are used for recreational purposes, suburban residential
0119 acreages, rural home sites or farm home sites and yard plots
0120 whose primary function is for residential or recreational pur-
0121 poses even though such properties may produce or maintain

0122 some of those plants or animals listed in the foregoing definition.
0123 The term "expenses" shall mean those expenses typically
0124 incurred in producing the plants, animals and horticultural
0125 products described above including management fees, produc-
0126 tion costs, maintenance and depreciation of fences, irrigation
0127 wells, irrigation laterals and real estate taxes, but the term shall
0128 not include those expenses incurred in providing temporary or
0129 permanent buildings used in the production of such plants,
0130 animals and horticultural products.

0131 The valuations established for tangible property under the
0132 program of statewide reappraisal shall not be applied by any
0133 county as a basis for the levy of taxes until expressly authorized
0134 to do so by legislative enactment. The provisions of this act shall
0135 not be construed to conflict with any other provisions of law
0136 relating to the appraisal of tangible property for taxation pur-
0137 poses including the equalization processes of the county and
0138 state board of tax appeals.

0139 New Sec. 2. (a) The secretary of revenue shall provide for
0140 the development of a comprehensive computer program provid-
0141 ing for the processing of such data on tangible property located
0142 in this state as deemed necessary for the effective and efficient
0143 administration of the appraisal, assessment and equalization
0144 laws of the state of Kansas, methods for updating such data on an
0145 annual basis, and such other functions as determined necessary
0146 for the efficient administration of the property tax laws of this
0147 state, including but not limited to the preparation and publishing
0148 of annual statistical reports and ratio studies.

0149 (b) There is hereby established an advisory committee to
0150 confer with and assist the secretary of revenue in the perform-
0151 ance of the duties prescribed in subsection (a). Such committee
0152 shall be composed of 18 members to be appointed as follows:
0153 Three members shall be appointed by the Kansas association of
0154 counties, such members to have expertise in data processing,
0155 three members shall be appointed by the Kansas association of
0156 county commissioners, three members shall be appointed by the
0157 Kansas appraisers association and nine members shall be ap-
0158 pointed by the secretary of revenue. The director of property

Section 2 would require the Secretary of Revenue to provide for a comprehensive computer program for necessary data processing, including publishing statistical reports. In developing the program, the Secretary would have the assistance of and could confer with an 18-member advisory committee which would include county appraisers, other county officials involved in the administration of the property tax, and other members appointed by the Secretary.

0159 valuation shall call the initial meeting of the committee at which
0160 time it shall elect from its membership a chairperson who shall
0161 call all other meetings necessary to accomplish the duties of the
0162 committee.

0163 New Sec. 3. The state shall assume a portion of the costs
0164 incurred by any county in complying with the provisions of this
0165 act. The portion of the cost to be paid to each such county by the
0166 state shall be determined in accordance with a statewide pay-
0167 ment schedule adopted by the secretary of revenue. Such
0168 schedule shall contain a specified amount according to class or
0169 subclass of property as specified in K.S.A. 79-1459, and amend-
0170 ments thereto, to be paid by the state to each county on a per
0171 parcel basis. Payments shall be made to counties as authorized
0172 under the provisions of this section in accordance with appro-
0173 priation acts of the legislature. No county for which the state
0174 board of tax appeals has issued an order pursuant to section 4
0175 shall be entitled to receive any payment from the state under the
0176 provisions of this section for the period of time such an order is in
0177 effect.

0178 The state division of property valuation shall make assistance
0179 available to any county in the reappraisal of commercial and
0180 industrial property located in such county upon such county's
0181 request. Any county requesting such assistance shall make re-
0182 imbursement for the costs incurred by the state in providing the
0183 same. Counties are hereby authorized to contract with private
0184 appraisal firms to conduct the reappraisal of special character-
0185 ized property within the county, subject to the approval of the
0186 director of property valuation.

0187 New Sec. 4. (a) On or before January 15, 1986, and quarterly
0188 thereafter, the county or district appraiser shall submit to the
0189 director of property valuation a progress report indicating actions
0190 taken during the preceding quarter calendar year to implement
0191 reappraisal of real property in the county or district. Whenever
0192 the director of property valuation shall determine that any
0193 county has failed, neglected or refused to properly provide for
0194 the reappraisal of property or the updating of the appraisals on an
0195 annual basis in substantial compliance with the provisions of this

Section 3 would require the state to assume a portion of the costs incurred by any county in the reappraisal in accordance with a statewide payment schedule adopted by the Secretary. Such schedule would provide for payment on a per parcel basis of a specified amount in accordance with the classes and subclasses of property prescribed in K.S.A. 79-1459 and in accordance with appropriation acts of the Legislature. Upon the request of any county, the Division of Property Valuation would be required to assist the county appraiser in reappraising commercial and industrial property. The county would reimburse the state for the actual costs incurred in providing such assistance. The county, subject to the approval of the Director of Property Valuation, would be authorized to contract with private reappraisal firms to conduct reappraisals of specially characterized properties.

Section 4 would require county appraisers to submit progress reports to the Director of Property Valuation on January 15, 1986, and quarterly thereafter. Personnel of the Division of Property Valuation would assume the duties of reappraising real property in any county whenever the State Board of Tax Appeals, upon complaint by the Director of Property Valuation, determines that the county has failed, neglected or refused to provide for the reappraisal of property or the updating of the appraisals on an annual basis in accordance with the Director's guidelines and timetables.

0196 act and the guidelines and timetables prescribed by the director
0197 pursuant to section 1, the director shall file with the state board
0198 of tax appeals a complaint stating the facts upon which the
0199 director has made the determination of noncompliance. Upon
0200 receipt of any such complaint, the state board of tax appeals shall
0201 hold a summary proceeding on such complaint. Notice of the
0202 time and place fixed for such proceeding shall be mailed to the
0203 county appraiser and the board of county commissioners of the
0204 county involved and to the director of property valuation. If, as a
0205 result of such proceeding, the state board of tax appeals finds that
0206 the county is not in substantial compliance with the provisions of
0207 this act and the guidelines and timetables of the director of
0208 property valuation providing for the progress and conclusion of
0209 reappraisal of all real property in the county or the updating of
0210 the appraisals on an annual basis, it shall order the immediate
0211 assumption of the duties of reappraising of real property by the
0212 personnel of the division of property valuation until such time as
0213 the director of property valuation determines that progress in the
0214 county under the program of reappraisal is sufficient to restore
0215 such duties to the county. In addition, the board shall order the
0216 state treasurer to withhold all or a portion of the county's enti-
0217 tlement to moneys from either or both of the local ad valorem tax
0218 reduction fund and the city and county revenue sharing fund for
0219 the year following the year in which the order is issued. Upon
0220 service of any such order on the board of county commissioners,
0221 the appraiser shall immediately deliver to the director of prop-
0222 erty valuation, or the director's designee, all books, records and
0223 papers pertaining to the appraiser's office.

0224 Any county for which the state division of property valuation is
0225 ordered by the state board of tax appeals to assume the respon-
0226 sibility and duties of reappraising of real property shall reim-
0227 burse the state for the actual costs incurred by the division of
0228 property valuation in the assumption and carrying out of such
0229 responsibility and duties.

0230 (b) On or before January 15 of each year following the utili-
0231 zation of valuations established under the program of statewide
0232 reappraisal as a basis for the levy of taxes, the state board of tax

Personnel of the Division would perform the duties until the
Director determines that progress was sufficient to restore
the duties to the county. In addition, the Board shall order the
State Treasurer to withhold all or a portion of the county's
entitlements from either or both of the Local Ad Valorem Tax
Reduction Fund and the County and City Revenue Sharing
Fund. The county would also be required to reimburse the
state for the actual costs incurred by the Division in the
assumption and carrying out of the county's duties.

0233 appeals shall review the program of appraisal of property in each
0234 county or district to determine if property within the county or
0235 district is being appraised or valued in accordance with the
0236 requirements of this act. If the board determines that the prop-
0237 erty in any county or district is not being appraised in accordance
0238 with the requirements of this act, such board shall, within 10
0239 days, direct the director of property valuation to notify the county
0240 or district appraiser and the board of county commissioners of
0241 any county or counties affected that the county has 60 days
0242 within which to submit to the director a plan for bringing the
0243 appraisal of property within the county into compliance or the
0244 director will petition the board of tax appeals for authority for the
0245 division of property valuation to assume control of such appraisal
0246 program and bring it into compliance. If a plan is submitted and
0247 approved by the director the county or district shall proceed to
0248 implement the plan as submitted. The director shall continue to
0249 monitor the program to insure that the plan is implemented as
0250 submitted. If no plan is submitted or if the director does not
0251 approve the plan, the director shall petition the state board of tax
0252 appeals for a review of the plan or if no plan is submitted for
0253 authority for the division of property valuation to assume control
0254 of the appraisal program of the county and to proceed to bring the
0255 same into compliance with the requirements of this act. If the
0256 board of tax appeals approves the plan, the county or district
0257 shall proceed to implement the plan as submitted. If no plan has
0258 been submitted or the plan submitted is not approved, the board
0259 shall fix a time within which the county may submit a plan or an
0260 amended plan for approval. If no plan is submitted and approved
0261 within the time prescribed by the board, the board shall order
0262 the division of property valuation to assume control of the ap-
0263 praisal program of the county and to bring the same into compli-
0264 ance with the provisions of this act. If the division assumes
0265 control of the appraisal program of any county, the director of
0266 property valuation shall certify the amount of the cost incurred
0267 by the division in bringing the program into compliance to the
0268 state treasurer who shall withhold such amount from distribu-
0269 tions of the county's share of moneys from the county and city

The Board would also review annually the program of appraisal in each county and if property is not being appraised in accordance with law, the county would have 60 days within which to submit to the Director a plan for bringing appraisal within the county into compliance. If no plan is submitted or if the Director does not approve the plan, the Director must petition the State Board of Tax Appeals for a review of the plan, or, if no plan is submitted, for authority to assume control of the appraisal program of the county so as to bring it into compliance with law. If the Board approves the plan, the county shall implement it. However, if the Board does not approve the plan, or if no plan was submitted, the Board shall set a time for submission of a plan or amended plan for approval. If no plan is timely submitted and approved, the Board then orders the Division of Property Valuation to assume control of the appraisal program of the county. Costs incurred by the Division shall be recovered from the county's share of Local Ad Valorem Tax Reduction Fund and County and City Revenue Sharing Fund distributions.

0270 revenue sharing fund and the local ad valorem tax reduction fund
0271 and credit the same to the general fund of the state.

0272 New Sec. 5. From and after January 1 of the year in which
0273 valuations for real property determined under the program of
0274 statewide reappraisal are implemented, each county shall main-
0275 tain in the office of the county clerk multiple copies of a listing of
0276 the assessed valuations of each parcel of real property located
0277 within the county. Such listing shall contain separate valuations
0278 for the land and for the buildings located thereon. Such listing
0279 shall be arranged alphabetically by city and street name and
0280 prepared in a manner that each parcel of real property is listed in
0281 progressive order by numerical street address for property lo-
0282 cated within the corporate limits of cities and so far as possible
0283 for property located outside of the corporate limits of cities
0284 within the county. Property for which no street addresses exist
0285 shall be listed separately from property with street addresses and
0286 arranged in alphabetical order by township and owner's name
0287 with information sufficient to disclose the location thereof. Such
0288 listings shall be open to public inspection during all normal
0289 working hours of the office of the county clerk.

0290 New Sec. 6. No county board of equalization shall issue an
0291 order applicable uniformly to all property in any class in any area
0292 or areas of the county, which order changes the assessment of
0293 such class of property in such area or areas, without the approval
0294 of the state board of tax appeals. Whenever any county board of
0295 equalization proposes to issue any such order, it shall make
0296 written application to the state board of tax appeals for a hearing
0297 on such matter. The state board of tax appeals shall set a time and
0298 place for a hearing thereon within five days of receipt of such
0299 application. The time set for hearing such matter shall in no
0300 event be more than 30 days following the date of receipt of such
0301 application. The state board of tax appeals shall notify the county
0302 board, the county or district appraiser and the director of prop-
0303 erty valuation, of the time and place set for hearing. The director
0304 of property valuation shall be made a party to such hearing. The
0305 state board of tax appeals shall make its determination upon such
0306 matter within 10 days of the conclusion of the hearing thereon

Section 5 requires that each county, in its clerk's office, maintain multiple copies of the assessed valuations of each parcel of real property for public inspection during normal business hours. The listings shall contain separate valuations for land and buildings and be arranged alphabetically and in progressive order by city and street name and number. Property for which no street addresses exist shall be listed separately and arranged in alphabetical order by township and owner's name.

Section 6 prohibits any county board of equalization from issuing any blanket order which changes the assessment of any class of property without first seeking and receiving approval of the State Board of Tax Appeals.

0307 and notify the county board and director of property valuation by
 0308 mail of its determination within five days after the date such
 0309 determination is made.

0310 New Sec. 7. The board of county commissioners of each
 0311 county is hereby authorized to levy a tax upon all taxable tangi-
 0312 ble property in the county in an amount necessary to pay all costs
 0313 incurred in conducting programs of countywide reappraisal and
 0314 complying with the provisions of this act. Such tax levies shall
 0315 not be included in computing the aggregate tax levies of the
 0316 county and are exempt from the limitations imposed under the
 0317 provisions of K.S.A. 79-5001 to 79-5016, inclusive, and amend-
 0318 ments thereto. The proceeds of such tax levies shall be credited
 0319 to a special countywide reappraisal fund and shall be used only
 0320 for the purposes of implementing the provisions of this act. Such
 0321 countywide reappraisal fund shall not be subject to the provi-
 0322 sions of K.S.A. 79-2925 to 79-2937, and amendments thereto,
 0323 except that in making the budgets of such counties the amounts
 0324 credited to, the amount on hand in such special fund, and the
 0325 amount expended therefrom shall be shown thereon for the
 0326 information of the taxpayers of the county.

0327 Sec. 8. K.S.A. 79-1412a is hereby amended to read as fol-
 0328 lows: 79-1412a. County appraisers and district appraisers shall
 0329 perform the following duties:

0330 *First. (a)* Install and maintain such records and data relating
 0331 to all property in the county, taxable and exempt, as may be
 0332 required by the director of property valuation.

0333 *Second. (b)* Annually, as of January 1, supervise the listing
 0334 and assessment of all real estate and personal property in the
 0335 county subject to taxation except ~~state-assessed state-appraised~~
 0336 property.

0337 *Third.* Notify each taxpayer on or before April first by mail
 0338 directed to his or her last known address as to the assessed value
 0339 placed on each parcel of his or her real property whenever the
 0340 assessed value of any parcel has been changed from the assess-
 0341 ment shown for the preceding year. Failure to receive such
 0342 notice shall in nowise invalidate the assessment.

0343 *Fourth. (c)* Attend meetings of the county board of equaliza-

Section 7 permits counties to make a levy for the costs
 of reappraisal. The levy would be outside the tax lid.

Section 8 amends K.S.A. 79-1412a by deleting the re-
 quirement of notifying the taxpayer of valuation changes, as a
 more comprehensive requirement is contained in section 9.

0344 tion for the purpose of aiding such board in the proper discharge
 0345 of its duties, making all records available to the county board of
 0346 equalization.

0347 ~~Fifth.~~ (d) Prepare the assessment roll and certify such rolls to
 0348 the county clerk.

0349 ~~Sixth.~~ (e) Supervise the township trustees, assistants, ap-
 0350 praisers and other employees appointed by ~~him or her~~ the
 0351 appraiser in the performance of their duties.

0352 ~~Seventh.~~ (f) The county appraiser or district appraiser in
 0353 setting values for various types of personal property, shall con-
 0354 form to the values for such property as shown in the personal
 0355 property ~~assessment appraisal~~ guides devised and/or prescribed
 0356 by the director of property valuation.

0357 ~~Eighth.~~ (g) Carry on continuously throughout the year the
 0358 process of appraising real property.

0359 ~~Ninth.~~ (h) If the county ~~appraiser~~ or district appraiser deems
 0360 it advisable, ~~he or she~~ such appraiser may appoint one or more
 0361 advisory committees of not less than five ~~(5)~~ persons representa-
 0362 tive of the various economic interests and geographic areas of the
 0363 county to assist ~~him or her~~ in establishing unit land values, unit
 0364 values for structures, productivity, classifications for agricultural
 0365 lands, adjustments for location factors, and generally to advise on
 0366 assessment procedures and methods.

0367 ~~Tenth.~~ (i) Perform such other duties as may be required by
 0368 law.

0369 Sec. 9. K.S.A. 79-1460 is hereby amended to read as follows:
 0370 79-1460. The county appraiser shall notify each taxpayer in the
 0371 county annually on or before April 1 for real property and May 1
 0372 for personal property, by mail directed to the taxpayer's last
 0373 known address, of any change in the classification or appraised
 0374 valuation of the taxpayer's property. *For the purposes of this*
 0375 *section, the term "taxpayer" shall be deemed to be the person in*
 0376 *ownership of the property as indicated on the records of the*
 0377 *office of register of deeds. Such notice shall specify separately*
 0378 *both the previous and current appraised and assessed values for*
 0379 *the land and each of the buildings situated on such lands. In the*
 0380 *year following the year in which valuations for tangible prop-*

Section 9 amends K.S.A. 79-1460 to more compre-
 hensively notify taxpayers of changes in the classification and
 valuation of their property. The county appraiser is to mail
 any such notification of change to the owner of the real
 property on or before April 1 of each year of change. "Owner"
 is defined as being the owner of the property as reflected by
 the records of the county register of deeds. Also, the notice is
 to contain both the previous and current appraised and
 assessed values for land and buildings and, after reappraised
 values are applied, shall contain the most recent county sales
 ratio for the subclass of property to which the notice relates.
 Failure to receive the notice shall not invalidate the assess-
 ment on the property.

0381 *erty established under the program of statewide reappraisal are*
0382 *applied as a basis for the levy of taxes, and in each year*
0383 *thereafter, such notice shall include the most recent county*
0384 *sales ratio for the particular subclass of property to which the*
0385 *notice relates, except that no such ratio shall be disclosed on any*
0386 *such notices sent in any year when the total assessed valuation*
0387 *of the county is increased or decreased due to reappraisal of all*
0388 *of the property within the county. Such notice shall also contain*
0389 *a statement of the taxpayer's right to appeal. Failure to receive*
0390 *such notice shall in no way invalidate the classification or ap-*
0391 *praised valuation as changed.*

0392 Sec. 10. K.S.A. 79-1602 is hereby amended to read as fol-
0393 lows: 79-1602. The county board thus constituted, or a majority
0394 of the members thereof, may on and after January 15 of each year,
0395 meet at any time that such board may deem necessary. All
0396 meetings of such board shall be held in a suitable place in the
0397 county courthouse. Such board shall on the first business day in
0398 April of each year meet for the purpose of inquiring into the
0399 valuation of real property and shall, on ~~the fifteenth day in~~ May
0400 15 or the next following business day if such date shall fall on a
0401 day other than a regular business day, meet for the purpose of
0402 inquiring into the valuation of tangible personal property in the
0403 county, and shall review the ~~assessment appraisal~~ rolls of the
0404 county as to accuracy, completeness and uniformity of ~~assess-~~
0405 ~~ment appraisal~~, and shall make such changes in the ~~assessment~~
0406 ~~appraisal~~ of property as shall be necessary in order to secure
0407 uniform and equal ~~assessment of application to~~ all property.

0408 In all cases where it shall become necessary to increase the
0409 ~~assessment appraised value~~ of specific tracts or individual items
0410 of real or personal property, except where the ~~assessment ap-~~
0411 ~~praised value~~ of a class or classes of property in any area or areas
0412 of the county is raised by a general order of *the state board of tax*
0413 *appeals* applicable to all property in such class or classes for the
0414 purpose of equalization, the county clerk shall, at least ~~ten (10)~~
0415 10 days prior to hearing, mail or cause to be mailed a notice to the
0416 person to be affected thereby at ~~his or her~~ *such person's* post-of-
0417 fice address as shown by the assessment rolls, stating in sub-

Section 10 amends K.S.A. 79-1602 to require that meet-
ings of county boards of equalization considering valuations of
property be held in the evening or on Saturdays as necessary to
hear parties making requests for hearings at such times.

0418 stance that it is proposed to increase the assessment of such
0419 specific tracts or individual items of ~~his or her~~ *such person's* real
0420 or personal property, and fixing the time and place when a
0421 hearing thereon will be had.

0422 The board shall hear and determine any appeal made by any
0423 taxpayer as to the ~~assessment and~~ valuation of any property in the
0424 county which may be made to the board by the owner of such
0425 property or ~~his or her~~ *such owner's* agent or attorney, and shall
0426 perform the duties ~~hereinbefore set out~~ *prescribed* in this sec-
0427 tion. The session of the board held for the purpose of considering
0428 the valuation of real property shall commence not later than the
0429 first business day in April and shall remain in session until the
0430 last business day in April, during which time the board may
0431 adjourn from time to time as may be necessary, and at the
0432 expiration of the last business day in April, the board shall
0433 adjourn until May ~~fifth~~ 5, when it shall again reconvene for the
0434 purpose of hearing appeals from persons who have been notified
0435 by the county clerk of pending changes in the valuation of their
0436 real property as provided above, but such adjourned session
0437 shall not continue for more than ~~ten (10)~~ 10 days, after which the
0438 board shall adjourn sine die, which adjournment must be taken
0439 on or before ~~the 15th day of~~ May 15, or if such day shall fall on
0440 Sunday, then such final adjournment shall be taken on ~~the 16th~~
0441 ~~day of~~ May 16 and the board shall have no authority to be in
0442 session thereafter; ~~and~~. After such final adjournment the board
0443 shall not change the *appraised or* assessed valuation of the real
0444 property of any person, *except for the correction of clerical*
0445 *errors as authorized by law*, or reduce the aggregate amount of
0446 the *appraised or* assessed valuation of the taxable real property
0447 of the county.

0448 The session of the board held for the purpose of considering
0449 the valuation of personal property shall commence not later than
0450 ~~the fifteenth day in~~ May 15 or the next following business day if
0451 such date shall fall on a day other than a regular business day and
0452 shall remain in session until the last business day in May, during
0453 which time the board may adjourn from time to time as may be
0454 necessary, and at the expiration of the last business day in May,

0455 the board shall adjourn until June ~~five~~ 5, when it shall again
0456 reconvene for the purpose of hearing appeals from persons who
0457 have been notified by the county clerk of pending changes in the
0458 valuation of their personal property as provided above, but such
0459 adjourned session shall not continue for more than ~~ten (10)~~ 10
0460 days, after which the board shall adjourn sine die, which ad-
0461 journment must be taken on or before ~~the 15th day of~~ June 15, or
0462 if such day shall fall on Sunday, then such final adjournment
0463 shall be taken on ~~the 16th day of~~ June 16 and the board shall have
0464 no authority to be in session thereafter; ~~and~~. After such final
0465 adjournment the board shall not change the *appraised or as-*
0466 *essed valuation of the personal property of any person, except*
0467 *for the correction of clerical errors as authorized by law or*
0468 *reduce the aggregate amount of the appraised or assessed valu-*
0469 *ation of the taxable personal property of the county.*

0470 *The board shall provide for sufficient evening and Saturday*
0471 *meetings during the sessions hereinbefore prescribed for the*
0472 *performance of its duties as shall be necessary to hear all parties*
0473 *making requests for such evening or Saturday meetings.*

0474 New Sec. 11. As used in sections 11 to 25, inclusive, "taxing
0475 subdivision" means every taxing district in the state of Kansas
0476 other than the state.

0477 New Sec. 12. In the year in which the valuations established
0478 under the program of statewide reappraisal are used as a basis for
0479 the levy of taxes and in each year thereafter, all existing statutory
0480 fund and aggregate levy limitations on taxing subdivisions are
0481 hereby suspended. Except as otherwise hereinafter provided, in
0482 such year and in each year thereafter, any taxing subdivision is
0483 authorized to levy taxes upon tangible property which in the
0484 aggregate produces an amount not in excess of the amount which
0485 was authorized to be levied by such taxing subdivision in the
0486 next preceding year, but no taxing subdivision shall certify to the
0487 county clerk of the county any tax levies upon tangible property,
0488 excluding taxes levied as special assessments and excluding
0489 levies specified in section 18, which in the aggregate will pro-
0490 duce an amount in excess of the amount which was levied by
0491 such taxing subdivision in the next preceding year.

Sections 11 through 25 enact a new uniform tax lid.

Section 11 defines "taxing subdivision" to mean every taxing district in Kansas, other than the state.

Section 12 subjects taxing subdivisions to a new, uniform property tax lid which suspends all existing statutory fund and aggregate levy limitations and authorizes subdivisions to levy taxes not to exceed the prior year's amount. No levies other than those listed in sections 18 and 25 would be exempt from the lid.

0492 New Sec. 13. Whenever any taxing subdivision shall certify
0493 aggregate tangible property tax levies in excess of that permitted
0494 under the provisions of sections 11 to 25, inclusive, the county
0495 clerk shall forthwith adjust the aggregate amount of such levies
0496 to the maximum levy authorized under the provisions of this act
0497 and notify the taxing subdivision certifying the same. It is the
0498 intent of this act to prescribe a limitation, with specified excep-
0499 tions, upon the aggregate amount which may be levied upon
0500 tangible property by each of the several taxing subdivisions of
0501 the state and not to prescribe a limitation upon the amount
0502 produced by each of the several levies imposed by such taxing
0503 subdivisions for their various tax supported funds. It shall be the
0504 duty of the governing body of each taxing subdivision to adjust
0505 legally authorized levies for separate funds or functions of the
0506 taxing subdivision within the aggregate limitation imposed
0507 under the provisions of sections 11 to 25, inclusive, of this act.

0508 Whenever a county clerk shall disagree with the governing
0509 body of a taxing subdivision concerning the maximum amount of
0510 the aggregate tangible property tax levies permitted under sec-
0511 tions 11 to 25, inclusive, of this act for such taxing subdivision,
0512 the disagreement may be submitted to the state board of tax
0513 appeals by any such county clerk or by the governing body of
0514 such taxing subdivision, and the disagreement shall thereupon
0515 be promptly and conclusively determined by the state board of
0516 tax appeals.

0517 New Sec. 14. Whenever the taxable assessed tangible valu-
0518 ation of any taxing subdivision is increased by new improve-
0519 ments on real estate and by added personal property in the year
0520 in which valuations established under the program of statewide
0521 reappraisal are used as a basis for the levy of taxes or in any year
0522 thereafter, the amount which would be produced by the aggre-
0523 gate tax levy limitation of such taxing subdivision computed in
0524 accordance with section 12 shall be divided by the taxable
0525 assessed tangible valuation of such taxing subdivision in the
0526 current year, omitting the assessed valuation of such new im-
0527 provements and added personal property, to derive a levy rate.
0528 The levy rate so computed shall then be applied to the assessed

Section 13 imposes a limitation, subject to specified
exemptions, on the aggregate amount (in dollars) which may be
levied by taxing subdivisions.

Section 14 allows an increase in the amount of taxes
produced by the aggregate tax levy limitation prescribed by
Section 12 due to increases in valuations from new improve-
ments on real property and added personal property.

0529 valuation of such new improvements and added personal prop-
0530 erty, and such taxing subdivision may then levy the amount
0531 permitted under section 12 and in addition thereto the amount
0532 produced by the levy on such new improvements and added
0533 personal property as provided in this section.

0534 New Sec. 15. In the event that any territory is added to an
0535 existing taxing subdivision, the amount which would be pro-
0536 duced by the aggregate tax levy otherwise authorized under
0537 sections 12 and 14 shall be adjusted to increase the amount
0538 authorized in the proportion that the assessed valuation of the
0539 tangible taxable property in the territory added bears to the total
0540 taxable assessed tangible valuation of the taxing subdivision,
0541 excluding the property in such added territory.

0542 New Sec. 16. In the event that any taxable tangible property
0543 is excluded from the boundaries of any taxing subdivision, the
0544 amount which would be produced by the aggregate tax levy
0545 authorized under the provisions of sections 12 and 14 shall be
0546 adjusted to decrease the amount authorized in the proportion
0547 that the assessed valuation of the tangible property excluded
0548 bears to the total taxable assessed valuation of the taxing sub-
0549 division, including such excluded property.

0550 New Sec. 17. (a) Whenever the authority and responsibility
0551 for the performance of any function or for providing any service,
0552 for which a tax levy is specifically authorized and provided by
0553 law, is transferred to any taxing subdivision, the aggregate limi-
0554 tation imposed under the provisions of sections 11 to 25, inclu-
0555 sive, upon the tax levies of the taxing subdivisions to which such
0556 authority or responsibility is transferred shall be increased by an
0557 amount equal to that levied for such purpose, by the political or
0558 taxing subdivision from which such authority or responsibility
0559 was transferred, in the year next preceding the year in which
0560 such transfer shall become effective and the aggregate limitation
0561 upon the tax levies of any taxing subdivision from which such
0562 authority or responsibility is transferred shall be reduced by
0563 such amount.

0564 (b) Whenever the authority and responsibility for the per-
0565 formance of any function or the providing of any service, for

Section 15 provides an adjustment for territory added to
a taxing subdivision.

Section 16 provides an adjustment for territory excluded
from a taxing subdivision.

Section 17 provides an adjustment if a function or
service is transferred to or from a taxing subdivision.

0566 which a tax levy, subject to the aggregate limitation prescribed
0567 by sections 11 to 25, inclusive, is specifically authorized and
0568 provided by law, is transferred from any taxing subdivision to the
0569 state of Kansas, the aggregate limitation imposed under the
0570 provisions of this act upon the tax levies of the taxing subdivision
0571 from which such authority and responsibility is transferred shall
0572 be reduced by an amount equal to that levied for such purpose
0573 by the taxing subdivision in the year next preceding the year in
0574 which such transfer shall become effective.

0575 New Sec. 18. The provisions of sections 11 to 25, inclusive,
0576 shall not apply to or limit the levy of taxes for the payment of:

0577 (a) Principal and interest upon bonds and temporary notes;

0578 (b) no-fund warrants authorized by the state board of tax
0579 appeals subject to the conditions and requirements of K.S.A.
0580 79-2938, 79-2939, 79-2941 and 79-2951 and where such board in
0581 addition specifically has found that an extreme emergency
0582 exists;

0583 (c) judgments rendered against taxing subdivisions;

0584 (d) expenses for legal counsel and defense of legal actions
0585 against officers or employees of taxing subdivisions or premiums
0586 on insurance providing such protection as authorized by article
0587 61 of chapter 75 of the Kansas Statutes Annotated and amend-
0588 ments thereto;

0589 (e) employer contributions for social security, workmen's
0590 compensation, unemployment insurance and employee retire-
0591 ment and pension programs; or

0592 (f) added expenditures which are specifically mandated or
0593 required by state or federal law and which are initially incurred
0594 by the taxing subdivision after the effective date of this act, less
0595 any expenditures which were specifically mandated or required
0596 by state or federal law prior to the effective date of this act and
0597 are no longer mandated or required.

0598 Amounts produced from any levy specified in this section shall
0599 not be used in computing any aggregate limitation under the
0600 provisions of this act.

0601 New Sec. 19. The limitation imposed by this act upon the
0602 amount produced by the aggregate levy of taxes upon tangible

Section 18 exempts from the tax lid levies for the following purposes: principal and interest on bonds and notes; no-fund warrants; judgments; legal expenses and insurance premiums for tort claims; social security, workmen's compensation, unemployment insurance, and retirement and pension programs; and added expenditures mandated by state or federal law.

0603 property by any taxing subdivision may be suspended for any
0604 one year or for a specified number of years, and levies may be
0605 made for such year or years which will produce an amount in
0606 excess of that prescribed by sections 11 to 25, inclusive, when-
0607 ever a majority of the electors of such taxing subdivision voting
0608 on a proposition to suspend such limitation at an election pro-
0609 vided for herein shall vote in favor thereof. Any individual levy
0610 or levies for a particular purpose or purposes may be exempted
0611 from the limitation imposed by sections 11 to 25, inclusive, for
0612 any one year or a specified number of years whenever a majority
0613 of the electors of such taxing subdivision voting on a proposition
0614 to exempt such levy or levies from such limitation at an election
0615 provided for herein shall vote in favor thereof. On motion of the
0616 governing body of such taxing subdivision, any such proposition
0617 may be submitted at either a special election to be held on the
0618 first Tuesday in June, at any general election held in April or
0619 November or at any primary election, and any such proposition
0620 shall be submitted at any such election whenever a petition
0621 requesting the same, signed by electors of such subdivision
0622 equal in number to not less than 5% of the qualified electors of
0623 such taxing subdivision, shall be filed in the office of the county
0624 election officer at least 60 days prior to the date of such election.

0625 New Sec. 20. When it is apparent to the governing body of
0626 any taxing subdivision that the maximum aggregate tax levy
0627 permitted under the provisions of sections 11 to 25, inclusive, is
0628 insufficient to finance the necessary operations of such subdivi-
0629 sion, such governing body may make application to the state
0630 board of tax appeals for authority to levy taxes in excess of the
0631 aggregate amount permitted under the provisions of sections 11
0632 to 25, inclusive. The application shall contain a detailed state-
0633 ment showing why the expenditures of such taxing subdivisions
0634 cannot be financed within the limitations prescribed by sections
0635 11 to 25, inclusive, shall state the exact increase requested, and
0636 the period of time for which such increase is requested.

0637 If the state board of tax appeals shall find and determine that
0638 the evidence submitted in support of the application shows an
0639 extreme emergency need for the increase requested and that the

Section 19 permits any taxing subdivision to exceed the
lid temporarily, for its aggregate levy or for particular pur-
poses, with voter approval. The question could be placed on
the ballot by the governing body on its own motion, or must be
placed on the ballot upon petition by 5 percent of the qualified
electors.

Section 20 authorizes levies outside the lid if the Board
of Tax Appeals finds that an extreme emergency need exists
and that the cost of an election to approve such increase
would be disproportionate to the increase sought. Publication
of any such order of the Board would be required and would be
subject to election upon a 10 percent protest petition.

0640 cost of an election to approve the increase would be dispropor-
0641 tionate to the amount of the increase sought, such board is
0642 hereby empowered to authorize such taxing subdivision to levy
0643 taxes in excess of the aggregate amount permitted under the
0644 provisions of sections 11 to 25, inclusive. The term "extreme
0645 emergency need" shall include, but not be limited to, amounts
0646 required to comply with state or federal requirements in such
0647 areas as sewage treatment and solid waste disposal and to pro-
0648 vide police protection, fire protection, ambulance service, or
0649 similar services essential to the public health and safety. The
0650 order of the board of tax appeals shall state the exact amount of
0651 the increase authorized and that the authorization is for a period
0652 of time, the length of which shall be specified. Any increase in
0653 tax levy authority granted by the board of tax appeals shall be
0654 added to the aggregate limitations computed under sections 11 to
0655 25, inclusive, for the period of time specified by the board.

0656 The county election officer shall cause a notice of any order of
0657 the board of tax appeals issued pursuant to this section to be
0658 published once each week for three consecutive weeks in the
0659 official newspaper of the taxing subdivision or, if none, in a
0660 newspaper of general circulation in such subdivision. If within
0661 30 days next following the date of the last publication of such
0662 notice a petition signed by not less than 10% of the qualified
0663 electors of the taxing subdivision requesting an election upon
0664 the proposition to levy such increased taxes is filed in the office
0665 of the county election officer, no such increased levy shall be
0666 made without first receiving the approval of a majority of the
0667 electors of such taxing subdivision voting at an election called
0668 and held thereon.

0669 New Sec. 21. The state board of tax appeals shall not autho-
0670 rize the issuance of no-fund warrants by any taxing subdivision
0671 of the state under the provisions of K.S.A. 79-2938, 79-2939,
0672 79-2941 or 79-2951, and amendments to such sections, except
0673 upon the basis of a finding of extreme emergency need.

0674 New Sec. 22. Whenever any taxing subdivision of this state
0675 shall be required by law to levy taxes for the financing of the
0676 budget of any political or governmental subdivision of this state

Section 21 allows the Board of Tax Appeals to authorize the issuance of a no-fund warrant only upon a finding of an extreme emergency.

Section 22 excludes levies for a subdivision not authorized to levy on its own behalf when computing the aggregate limitation.

0677 which is not authorized by law to levy taxes on its own behalf,
0678 and the governing body of such taxing subdivision is not autho-
0679 rized or empowered to modify or reduce the amount of taxes
0680 levied therefor, the tax levies of such political or governmental
0681 subdivision shall not be included in or considered in computing
0682 the aggregate limitations upon the property tax levies of the
0683 taxing subdivisions levying taxes for such political or govern-
0684 mental subdivision.

0685 New Sec. 23. The state board of tax appeals may upon com-
0686 plaint filed within 30 days after the public hearing held pursuant
0687 to K.S.A. 79-2929, and amendments thereto, by any taxpayer
0688 inquire into the levy of taxes by any taxing subdivision for the
0689 purpose of determining if such taxing subdivision is operating in
0690 compliance with the limitations and provisions of sections 11 to
0691 25, inclusive. If upon preliminary inquiry it shall appear that
0692 such subdivision is failing to comply with the requirements of
0693 sections 11 to 25, inclusive, the board of tax appeals shall fix a
0694 time and place for a hearing upon such matter and shall notify
0695 the governing body of the taxing subdivision thereof. If upon the
0696 basis of such hearing the state board of tax appeals shall deter-
0697 mine that such taxing subdivision is operating in violation of the
0698 limitations and provisions of sections 11 to 25, inclusive, such
0699 board may order the adjustment of any tax levies to be adjusted
0700 in such manner as to comply with the requirements of this act.

0701 New Sec. 24. Any election held under the provisions of
0702 sections 11 to 25, inclusive, shall be called and held in accord-
0703 ance with the provisions of K.S.A. 10-120, and amendments
0704 thereto.

0705 New Sec. 25. The provisions of sections 11 to 24, inclusive,
0706 shall not be applicable to the general fund levies of unified
0707 school districts.

0708 New Sec. 26. (a) The governing body of any city, in the year
0709 next following the year in which the valuations established
0710 under the program of statewide reappraisal are used as a basis for
0711 the levy of taxes or in any year thereafter, may elect, in the
0712 manner prescribed by and subject to the limitations of section 5
0713 of article 12 of the Kansas Constitution, to exempt such city from

Section 23 allows taxpayers to appeal to the Board of
Tax Appeals to determine if a subdivision is in compliance
with the lid.

Section 24 requires that elections under the tax lid law
be conducted as under the general bond law (K.S.A. 1983 Supp.
10-120).

Section 25 exempts from the lid the general fund levies
of unified school districts.

Section 26 permits any taxing subdivision to exempt
itself permanently from the provisions of the tax lid after the
first year of application. The ordinance or resolution exempt-
ing the taxing subdivision would be subject to a protest
petition for a referendum. For cities, the petitions would
require signatures equal to at least 10 percent of the number
who voted at the preceding November general election, and
for counties and other subdivisions, at least 2 percent.

0714 the provisions of sections 11 to 23, inclusive.

0715 (b) The governing body of any county, in the year next
0716 following the year in which the valuations established under the
0717 program of statewide reappraisal are used as a basis for the levy
0718 of taxes or in any year thereafter, may elect, in the manner
0719 prescribed by and subject to the limitations of K.S.A. 19-101b,
0720 and amendments thereto, to exempt such county from the provi-
0721 sions of sections 11 to 23, inclusive.

0722 (c) The governing body of any other taxing subdivision sub-
0723 ject to the provisions of sections 11 to 23, inclusive, in the year
0724 next following the year in which the valuations established
0725 under the program of statewide reappraisal are used as a basis for
0726 the levy of taxes or in any year thereafter, may elect, in the
0727 manner prescribed by and subject to the limitations of K.S.A.
0728 19-101b, and amendments thereto, insofar as such section may
0729 be made applicable, to exempt such subdivision from the provi-
0730 sions of sections 11 to 23, inclusive.

0731 New Sec. 27. Upon implementation for purposes of levying
0732 taxes of valuations for real property derived under the program of
0733 statewide reappraisal, all existing statutory debt limitations
0734 computed on the basis of a percentage of assessed valuation are
0735 hereby suspended. In such year of implementation and in all
0736 years thereafter any indebtedness of a taxing district governed by
0737 such statutory limitations shall be limited to a percentage of
0738 assessed valuation, which percentage is determined by dividing
0739 the amount of indebtedness authorized for such taxing district in
0740 the year before implementation of such valuations by the as-
0741 sessed valuation in the year of implementation.

0742 New Sec. 28. The secretary of revenue shall adopt rules and
0743 regulations providing for the administration of this act. The
0744 director of property valuation shall prescribe and furnish forms
0745 to the county appraisers necessary to their duties hereunder.

0746 New Sec. 29. If any sentence, clause, subsection or section
0747 of this act is held unconstitutional or invalid by any court of
0748 competent jurisdiction, it shall be conclusively presumed that
0749 the legislature would have enacted the remainder of the act not
0750 so held unconstitutional or invalid.

Section 27 suspends, in the year when values are first used for the levying of taxes, all existing statutory debt limitations computed on the basis of a percentage of assessed valuation. The section also imposes a percentage limitation on such indebtedness to be computed so as to prevent any increase therein resulting from the use of reappraised valuations.

Section 28 requires the Secretary of Revenue to adopt rules and regulations necessary to administer this Act and directs the Director of Property Valuation to prescribe forms to the county appraisers necessary to perform their duties under the Act.

Section 29 is the severability clause.

0751 Sec. 30. K.S.A. 79-1412a, 79-1437b, 79-1440, 79-1452 to 79-
0752 1454, inclusive, 79-1460 and 79-1602 are hereby repealed.

0753 Sec. 31. This act shall take effect and be in force from and
0754 after its publication in the statute book.

Section 30 repeals the statutes amended in the Act and also repeals five additional statutes, K.S.A. 79-1437b, K.S.A. 79-1440, and K.S.A. 79-1452 to 79-1454. K.S.A. 79-1437b prohibits the use of real estate assessment ratio studies published by the Director of Property Valuation as evidence in actions concerning the assessment of property, sales of which are not required to be reported to the Director. K.S.A. 79-1440 suspends fund and aggregate tax levy limits and debt limitations in the event of a countywide reappraisal and also establishes an aggregate levy limitation in such event. K.S.A. 79-1452 to 79-1454 are statutes that have been sunsetted and are no longer in effect.

Section 31 prescribes the effective date of the Act.

Background

Statewide reappraisal has been the recommendation of interim committees of the Legislature to the 1979, 1980, and 1982 Sessions.

Kansas Association of Counties

Attachment 2

Serving Kansas Counties

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

Phone 913 233-2271

February 28, 1985

Senator Fred Kerr:

Members of the Senate Assessment and Taxation Committee:

I am Bev Bradley, from the Kansas Association of Counties.

Counties support the concept of SB 164, with one major exception. I was Chairman of the Kansas Association of Counties when the "clone" of SB 164 was developed. I served with other county officers on a sub-committee appointed by Senator Angel to help work out a reappraisal bill. I believe this was SB 275 in 1983, although I may be corrected on both numbers. Counties have not changed their position. We support reappraisal, but Ladies and Gentlemen, counties want no part of a State ordered, State wide, State controlled computer system. Several counties currently have property records on line on individual county computer systems. Let us use them. May I suggest, as a compromise the use of "Mini Computers" in other counties, such as was mentioned for Florida, by your guest speaker, yesterday. I'm reasonably sure they could supply whatever data is needed for State records and would be more palatable to counties.

Second, let me say, the best qualified people to do this job are county appraisers. They are experts in their field. They must be, because eventhough they work for counties and are paid by counties, they are State schooled, State tested, and State approved. Quite honestly these people know their counties better than anyone else.

We understand that we do not need or want 105 different methods of reappraisal--State guidelines are appropriate.

We strongly support the committee concept outlined in Sec. 2b. There is strong evidence that the farm machinery committee as well as the oil and gas committee have produced some positive results, especially in the area of cooperation and understanding.

So--I offer cooperation. I obviously cannot speak for every single officer in each of the 105 counties, but overall counties support reappraisal. We have no official stand on classification and we oppose the Statewide, State controlled computer system.

Thank you for the opportunity to once again express the County Side.

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KANSAS COUNTY APPRAISERS ASSOCIATION

February 27, 1985

Senate Assessment and Taxation Committee

Members of the Committee:

The Kansas County Appraisers Association realizes the great need for reappraisal of all tangible property in the State of Kansas. The Association is dedicated to helping implement a reappraisal program that is realistic and financially sound.

The Association is very concerned with the phrase "State Computer System" as referred to on line 050 and line 0140 in Senate Bill #164. Several different interpretations of the meaning of a State Computer System and Comprehensive Computer Program have been discussed.

(A) A System whereas all information is imputed directly into a computer in Topeka on terminals located at the County level with the State processing this information into a estimate of value.

(B) County Appraisers use County computers and "Software" that are capable of producing all information required by the State on a tape produced on the County level at times prescribed by the State. This would enable the State to analyze all appraisals for compliance with recognized appraisal standards and Kansas law.

The Appraisers Association is of the opinion that point (A) above is not a realistic and workable solution to this problem and opposes the implementation of such a system if this is what comprehensive computer program (system) is intended to mean on line 050 and 0140 of the Senate Bill #164.

The Association would support a system as described in point (B) above. It is the Associations position that point (B) provides the Counties with local control and at the same time provides the State with an effective method to closely monitor the appraisals throughout the State. This is also the most cost effective method.

Professional Designation



Certified Kansas Appraiser

Affiliation



International Association of Assessing Officers

Affiliation



Kansas Official Council

Affiliation



North Central Regional Association of Appraisers

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KANSAS COUNTY APPRAISERS ASSOCIATION

It is the position of the Association that the Advisory Committee, line 0151, is of great importance to the smooth implementation of a reappraisal in the State. It is our opinion that reappraisal can only be accomplished with full cooperation of the State and local Government.

I would like to thank the Committee for this opportunity to speak and would welcome any questions you might care to ask of myself, or Gary Smith, the Associations Legislative Committee Chairman.

Very truly yours,



Robert C. Gardner, C.K.A., A.S.A.
President
Kansas Appraisers Association

Professional
Designation



Certified
Kansas Appraiser

Affiliation



International Association
of Assessing Officers

Affiliation



Kansas
Official Council

Affiliation



North Central
Regional Association
of Assessing Officers

LEGISLATIVE TESTIMONY

Attachment 4



Kansas Chamber of Commerce and Industry

500 First National Tower One Townsite Plaza Topeka, KS 66603-3460 (913) 357-6321

A consolidation of the
Kansas State Chamber
of Commerce,
Associated Industries
of Kansas,
Kansas Retail Council

SB 164

February 27, 1985

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

Senate Committee on Assessment and Taxation

Mr. Chairman and Members of the Committee:

My name is David Litwin. I am Director of Taxation of the Kansas Chamber of Commerce and Industry. Thank you for the opportunity to testify today concerning SB 164.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses plus 215 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

We urge the committee to report favorably on SB 164.

With respect to the need for reappraisal of real property, the topic has been the

subject of intense discussion for so long that restatement of the current dismal picture would appear to be unnecessary. We are all well aware of the disparities. Using 1983 figures supplied by the Department of Revenue, personal business property was assessed at rates 285% higher than commercial and industrial realty, 375% higher than all urban realty, 525% higher than rural land and 564% higher than agricultural real estate. Dramatic as these figures may be, they are but a brief example of the data that can be produced to demonstrate that not only are our appraisal data out of date, they are hopelessly, shockingly so. Clearly, only a statewide reappraisal can bring current practices into conformity with constitutional requirements and with ideas of fairness and justice. The present situation is intolerable, a major embarrassment to our state, and a corrosive influence on confidence in and respect for government.

We are clearly at a juncture. The legislature is being called upon to either bring about compliance with uniform and equal, or to cause the state to embark on the classification route. In either event, a reappraisal is essential. Uniform and equal obviously requires knowledge of current values. If classification is coming, we have consistently maintained that before drawing classification lines, current data are needed. Even if you do not agree with this point, clearly such information would be required at the point in time when it is necessary to implement a classification amendment.

Moreover, it should be noted that SB 164 provides in section 1 that reappraised values shall not be used until implementation is expressly authorized by a future legislative enactment. Thus the legislature would retain control over the process. In the meantime, however, the vitally needed work would be under way.

I note that in the past, Governor Carlin has stated that he would veto a reappraisal bill that was not accompanied by a classification amendment and this may be on the minds of committee members. Such a proposed amendment might well emerge

from the present session. However, regardless of that, the legislature has its responsibilities, and the Governor has his. I respectfully submit it would not be a satisfactory discharge of your duties to refrain from action because of speculation about the course the Governor might take. If he did veto a reappraisal bill for such reasons, then that would be his decision. In the meantime the legislature would have done its duty.

Turning briefly to other provisions of the bill, first, we are not opposed to the appraisal of agricultural land on the basis of use valuation. However, I suggest the committee consider reducing the 8-year period specified for averaging productivity. This span may well be too long to give a reasonable estimate of current value. KCCI lauds the strong enforcement mechanisms specified in section 4, since any reappraisal that is either further delayed or, once completed, not kept current, would defeat the purposes of reappraisal. We also support the comprehensive limits on the revenue growth of taxing subdivisions set forth in sections 11 to 25.

Thank you once again. If there are questions, I will be pleased to answer them.



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

February 28, 1985

TESTIMONY TO
SENATE ASSESSMENT AND
TAXATION COMMITTEE

Senate Bill 164
As Introduced

Mr. Chairman and Members of the Committee, I am Chip Wheelen of Pete McGill and Associates. We represent the Kansas Legislative Policy Group, which is an organization of County Commissioners from primarily rural areas of the State.

As you know, the KLPGL supports the concept of statewide reappraisal of real estate in conjunction with amendment of the Kansas Constitution for purposes of assessing different classes of property at rates that would minimize redistribution of tax burdens among owners of different types of property. We appear today to generally support the provisions of Senate Bill 164, but also to suggest a way of improving the bill.

Those of you who are acquainted with the appropriations process know that existing statutes authorize state agencies to acquire and utilize computers and data processing systems. These same statutes prescribe planning and budgetary procedures that must be followed in order for any agency to request appropriations for computer hardware and software. For that reason, we respectfully suggest that the language contained in new Section 2.(a) of SB 164

is unnecessary. Furthermore, it would appear that the phrase stating that the Secretary of Revenue shall provide for development of a comprehensive computer program may circumvent the normal process which is an important executive function.

We acknowledge that the use of data processing systems by the Department of Revenue and some counties may be necessary because of the volume of information that will be obtained during reappraisal and for periodic updating of records. For that reason, we strongly endorse the creation of an advisory committee of county officials as outlined in subsection (b) of new Section 2.

Having stated our concerns, we respectfully recommend deletion of all language pertaining to "a comprehensive computer program" and related provisions. Otherwise, we urge you to recommend SB 164 favorable for passage.

LWVK LEAGUE OF WOMEN VOTERS OF KANSAS

909 Topeka Boulevard-Annex

913/354-7478

Topeka, Kansas 66612

February 28, 1985

STATEMENT TO THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION IN SUPPORT OF SB 164 CONCERNING REAPPRAISAL.

I am Marian Warriner speaking for the League of Women Voters of Kansas in support of SB 164.

Our strong support of reappraisal continues. Our position is this:

1. REAPPRAISAL SHOULD BEGIN WITHOUT DELAY.
2. STATE CONTROL IS IMPERATIVE to achieve:
 - statewide uniformity of property appraisals and assessments;
 - a sound basis for equalization of school finance;
 - consistency in the base of the formulae for distribution of state revenue through the LAVTRF and CCRSF to local governments;
 - equity in statewide property taxes.
3. ACTION SHOULD BE TAKEN TO REDUCE THE ADVERSE IMPACT ON SOME PROPERTY TAXPAYERS.

We have held the position that reappraisal should be completed, the data analyzed, and then the classification or other action to ease the shifts be developed. With the simplicity in the two constitutional amendments you are considering, SCR 1615 and SCR 1616, the collection of this data is not so critical. We urge you to go ahead with reappraisal.

We can support a graduated residential exemption. We have no position on classification.

4. ROLLBACK OF LEVY RATES must accompany reappraisal. After the first year this restriction should be lifted. SB 164 includes the rollback, and a mechanism for local governments to set their own budget requirements and limits.
5. USE VALUE APPRAISAL OF AGRICULTURAL LAND. No position. We suggest however, that this not be mandated, but that the legislature have the option of either use value or a lower assessment rate for agricultural land.

Thank you.

Marian Warriner

Marian Warriner
LWVK Lobbyist



Kansas Farm Bureau, Inc.

2321 Anderson Avenue, Manhattan, Kansas 66502 / (913) 537-2261

STATEMENT TO
SENATE COMMITTEE ON ASSESSMENT & TAXATION

RE: S.B. 164--Statewide Reappraisal of Real Property

February 27, 1985
Topeka, Kansas

Presented by
John K. Blythe, Assistant Director
Public Affairs Division
Kansas Farm Bureau

Mr. Chairman and Members of the Committee:

I am John Blythe and I appear before you today representing the membership of the Kansas Farm Bureau.

Farm Bureau members, for a number of years, have recommended that statewide reappraisal be accomplished and implemented in all counties at the same time.

Following is the policy statement regarding the Appraisal, Assessment and Taxation of Real and Personal Property adopted by the voting delegates representing 105 county Farm Bureaus at the 66th Annual Meeting of Kansas Farm Bureau in Wichita, December 4, 1984:

Appraisal, Assessment and Taxation
of Real and Personal Property

We believe Kansas should begin the process of reappraisal, and we further believe the new values determined by the reappraisal process should be implemented in all 105 Kansas counties at the same time. Reappraisal procedures should contain provisions for frequent updating of values.

Procedures should be developed to insure against an unfair shift of taxes to agricultural and residential property. We believe that this shift of taxes can be best addressed by classification. The classification issue should not be addressed until reappraisal is completed in all counties.

In 1976, voters approved an amendment to the Kansas Constitution to allow the Legislature to develop use-value appraisal of agricultural land. For eight years we have attempted to enact a use-value appraisal statute. We believe this Constitutional provision should be implemented.

We firmly believe that the income capitalization approach to value is sound and is an equitable method of appraising real property for tax purposes. Statutory or constitutional language should require that all properties valued under use-value, (the income capitalization approach), should have a common capitalization rate based on economic, interest rate and money market factors.

We believe livestock should be exempt from property taxation in Kansas. There are 36 states that presently exempt livestock. Kansas should be added to this list of states so that we can maintain the leadership position in livestock production.

As you note in our policy statement, we put very strong emphasis upon the use of use-value or the income approach in the appraisal of agriculture land. The language in S.B. 164 found on line 0058 through line 0130 is the result of much study by legislative interim committees and standing committees on Assessment and Taxation of the Senate and House.

Using the agricultural information available in the Statistical Division of the State Board of Agriculture and the Statistical Reporting Service of the U.S.D.A., "benchmarks" of value can be established for each category of agricultural land in each county. With these "benchmarks" established and making

adjustments up or down from these established "benchmarks," appraisal of all agricultural land in a county can be accomplished. The language found on line 0072 through line 0076 provides for this procedure of approach to the determination of income.

We do want to recommend one small but very important amendment to S.B. 164.

The amendment would strike the last two words (prescribed by) on line 0096 and all of line 0097 and insert the following language. The amendment is as follows:

comparable to, but not more than, the rate or rates prescribed by the Director of Property Valuation for utilities and other properties for which income capitalization is used to determine appraised value and not less than a rate determined to be the sum of the contract rate of interest on new federal land bank loans in Kansas on July 1 of each year averaged over a five-year period, which includes the five years immediately preceding the calendar year which immediately precedes the year of valuation, plus .75%

If we review our appraisal of real property history very briefly, we find that prior to 1963, property--both real and personal--were to be appraised at market value and assessed at 100 percent of the appraised value. Amendments in 1963 provided for 30 percent assessment of the appraisal which was stated as "justifiable value" and has since been amended to read "fair market value."

The 1963 law triggered statewide reappraisal except for the following counties which were reappraised prior to 1963: Atchison (1959); Cowley (1960); Clay (1960); Jefferson (1961); Leavenworth (1959); and Riley (1960). The Director of P.V.D. at that time determined that these counties had reappraised so recently they did not need to reappraise again.

The 1955 legislative session repealed the statute calling for appraisal of all real property in 1930 and each fourth year thereafter, although county commissioners could order an appraisal for any even year. Repeal of this law in

1955 provided for the "duties of the county assessor" and as one of the duties (KSA 79-1412a) eighth) "Carry on continuously throughout the year the process of appraising real property."

We know that we have not carried out the mandate of 1955 amendments but now is not the time to look back but to look forward and move forward with legislation that will provide for equitable and up to date appraisal of real property in Kansas.

Farm Bureau supports the concept of S.B. 164.

We thank you for this opportunity to appear.



Testimony on S.B. 164
Before the
Senate Assessment and Taxation Committee
by
John W. Koepke, Executive Director
Kansas Association of School Boards

February 28, 1985

Mr. Chairman and members of the Committee, we appreciate the opportunity to present the concerns of our member boards of education on the subject of reappraisal. Perhaps no topic causes greater concern among school board members than the specter of an immediate court-ordered reappraisal. We believe that the facts are clear. Present assessment practices in Kansas counties have resulted in tremendous variations in valuations of property, both between classes and within classes of property.

We believe that the success of any tax source depends on taxpayer acceptance of the relative fairness of the tax. Such cannot obviously be said presently of the property tax in Kansas. It is the perception of unfairness, more than any other single factor, which also causes resentment of the school finance formula in our state. If we expect the populace to continue to support adequate funding of public education in Kansas, something must be done to bring fairness or at least perceived fairness to the tax system which provides that funding.

An essential first step in that process is a statewide reappraisal of all property, such as that envisioned by S.B. 164. We are not certain, however, that a court will give us the five years to conduct that reappraisal suggested in

this bill. Certainly, once those reappraised values have been obtained, some mechanism must be developed to keep those values updated and current. We must resolve never again to allow ourselves to be placed in our present predicament.

Also, our members believe that once we have those reappraised values, some mechanism must be used to mitigate the tremendous tax shifts which would occur between classes of property if those values were used for levying taxes. After studying the issue extensively, our members have expressed overwhelming support for the idea of a constitutional amendment which would classify property values. We hope that this committee will give serious consideration to endorsing such an amendment in conjunction with this reappraisal study.

We believe that this issue is urgent, Mr. Chairman. It has, in our members minds, greater ramifications for the long term future of funding schools than any other single factor. The problems of reappraisal and classification have been studied endlessly. It is time for action. We appreciate the opportunity to express the views of our members.