

Approved On: _____

Minutes of the House Committee on Assessment and Taxation. The meeting was called to order by E. C. Rolfs, Chairman, at 9:00 a.m. on March 21, 1986 in room 519 South at the Capitol of the State of Kansas.

The following members were absent (excused):

Representatives Vancrum and Leach

Committee staff present:

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

Melinda Hanson, Legislative Research, explained SB-548, an act relating to property taxation; concerning delinquent tax sales of real estate. E. A. Mosher, Executive Director League of Kansas Municipalities, proposed an amendment to SB-548, adding the words "or the aggregate amount of delinquent taxes, including special assessments, is less than \$10,000". (Attachment 1) Beverly Bradley, representing Kansas Association of Counties, testified in support of SB--548 as amended. (Attachment 2)

Bill Edds, Attorney for the Department of Revenue, explained SB-666, an act relating to the taxation of express companies, and answered questions from the committee members.

Representative Lowther moved, second by Representative Fox, that SB-666 be passed favorably and placed on the consent calendar. The motion passed.

The next bill considered was SB-407, an act relating to the mortgage registration tax; concerning exemptions therefrom and the administration thereof. Representative Moomaw moved, second by Representative Crowell, that wording in the bill be moved back to the original version.

Representative Fox moved, second by Representative Fry, that SB--407 be tabled. The motion failed. The original motion carried.

Representative Spaniol moved, second by Representative Roe, to delay implementation until January 1, 1987. The motion carried.

Representative Moomaw moved, second by Representative Aylward, that refinancing by electrical coops be exempt from the tax. (Attachment 3) The motion carried.

Representative Roe moved, second by Representative Lowther, that SB-407 be passed favorably. Representative Moomaw moved, second by Representative Crowell, that there be two effective dates--July 1, 1986 and January 1, 1987. The motion carried.

Representative Roe moved, second by Representative Lowther, that SB-407 as amended be adopted. The motion carried.

The March 20 minutes were reviewed and approved by the committee.

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


Ed C. Rolfs, Chairman



**League
of Kansas
Municipalities**

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL / 112 WEST SEVENTH ST., TOPEKA, KANSAS 66603 / AREA 913-354-9565

TO: House Committee on Assessment and Taxation
FROM: E.A. Mosher, Executive Director
DATE: March 21, 1986
SUBJECT: SB 548--Delinquent Tax Sales

SB 548 increases from \$10,000 to \$300,000 the total amount of assessed valuation of real estate delinquent in taxes which must exist before the board of county commissioners is required to institute a judicial foreclosure procedure. The League opposes the bill unless it is amended to give recognition to delinquent special assessments.

The amendment we propose is simple. It would add, on line 41 following the comma, the words "or the aggregate amount of delinquent taxes, including special assessments, is less than \$10,000". The net effect of the amendment is that the judicial foreclosure process would be mandated only when either the amount of delinquent valuation exceeds \$300,000, or the amount of delinquent taxes and special assessments exceed \$10,000.

As all of you know, a vacant, unimproved residential lot in a new subdivision has a very low assessed valuation. Indeed, if the reassessment ratio is 10 percent, a subdivision with a real market value of \$3 million could be delinquent in real estate taxes for more than three years, and still not trigger a foreclosure process. But the amount of delinquent special assessments in such a subdivision may be substantial. It is not uncommon for a single residential lot to have special assessments against the land in the range of \$4,000 to \$5,000 if water, sewer and street improvements have been special assessed against the property. The point I would emphasize is that the amount of delinquent taxes and special assessments is probably more relevant than the amount of assessed valuation.

We do respect the fact that the board of county commissioners may begin the foreclosure process even if the delinquent valuation is less than \$300,000. However, we would call to your attention that foreclosure has never been a politically popular process. And there is even less motivation for the board of county commissioners to be concerned about delinquent special assessments, since the delinquent amounts--not the penalties and interest--is paid to the city. City officials, however, have a very direct concern, since any special assessments that are not collected from the property benefitted must be paid for by the property taxpayers at-large.

We urge your support of the amendment.

President: Ed Eilert, Mayor, Overland Park
Directors: Robert C. Brown, Mayor, Overland Park
Clerk/Administrator, Mankato • Carl
John E. Reardon, Mayor, Kansas City
City Manager, Garden City • Douglas

Attachment 1

3/21/86
 Hs. A&T

President: Peggy Blackman, Mayor, Marion
City Manager, Merriam • Donald L. Hamilton, City
Manager, P. Newton, Jr., City Manager, Newton
Commissioner, Coffeyville • Dean P. Wiley,

Kansas Association of Counties

Serving Kansas Counties

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

Phone 913 233-2271

March 21, 1986

To: Representative Ed Rolfs
Members House Assessment & Taxation Committee

From: Beverly A. Bradley, Legislative Coordinator
Kansas Association of Counties

Re: SB-548

Good Morning, my name is Bev Bradley and I represent the Kansas Association of Counties.

I appear before you today in support of SB-548 as amended which amends K.S.A. 1985 Supp. 79-2801. This would increase the aggregate assessed valuation of real estate subject to sale under the discretion of the board of County Commissioners from \$10,000 to \$300,000. This, in effect is practical because tax sales are expensive and time consuming and need not be held for only a parcel or two.

Boards of Commissioners should have the home rule authority to set a sale when needed or requested by cities involved.

AMENDMENTS TO SENATE BILL 407 AS AMENDED BY SENATE COMMITTEE

On page 2, in line 66, following the period, by adding a sentence as follows:

(8) Any mortgage or other instruments given for the purpose of providing security for the indebtedness which results from debt restructuring of an electric cooperative organized pursuant to K.S.A. 17-4601 et. seq. and amendments thereto.