

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation

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

11:00 a.m. ~~p.m.~~ on Wednesday, January 22, 1986 in room 519-S of the Capitol.

All members were present except:
Senator William Mulich (Excused)

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

Conferees appearing before the committee:
Vic Miller, Property Valuation Division, Department of Revenue
Chris Ballmer, Sedgwick County Appraiser
Gerry Ray, Johnson County Appraiser
Leroy Leland, Kansas County Appraisers Association
Ron Smith, Kansas Bar Association
Karen McClain, Kansas Association of Realtors
Tom Groneman, Kansas Register of Deeds Association
John Dozier, Kansas Land Title Association
Brad Welch, Kearny County Appraiser

Senator Paul (Bud) Burke provided the Committee with copies of a bill request from the Johnson County Silver Haired Legislature (Attachment 1). Senator Burke moved that the bill request be introduced. The motion died for lack of a second. Chairman Kerr advised that the matter could be brought up for consideration at the same time other bill requests are considered.

S.B. 405 - Certificates of value; duties of county appraiser: Re Proposal No. 5

Vic Miller explained that the bill was recommended by the interim committee. He provided copies of the Ratio Study Card and Certificate of Value (Attachment 2) and said that these are used to formulate the sales-assessment ratio study. He feels S.B. 405 would assist the appraiser in determining whether sales are bona fide sales for purposes of the ratio study because the appraiser would have the opportunity to make sure the information is complete at the time of filing rather than having to locate the person at a later time.

Chris Ballmer testified in favor of S.B. 405. He feels it would be a cost savings measure and advised that two people in his office do nothing but attempt to verify sales. Senator Salisbury asked if the same staff would be needed if S.B. 405 became law. Mr. Ballmer answered that he does not believe it would require the same amount of time now expended and would also save on telephone costs.

Gerry Ray testified in favor of the bill (Attachment 3).

Leroy Leland spoke in support of S.B. 405 (Attachment 4). He said that the certificate of value cards sometimes reflect the mortgage price rather than the selling price of property.

Ron Smith said that the Bar Association has not taken an official position on the bill and provided a letter from Mert Buckley (Attachment 5). Mr. Smith stated that perhaps it would be better to change the certificate of value form than to require an extra filing step.

Karen McClain testified in opposition to the bill (Attachment 6). She feels the filing process would be delayed and buyers would experience delays in mortgage effectiveness.

Tom Groneman said that his association is neither for nor against the bill. He mentioned possible problems with delays in filing and pointed out that many filings are mailed. He said the registrars have no objection to the

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation,
room 519-S, Statehouse, at 11:00 a.m./~~XX~~ on January 22, 1986

bill if the appraisers need additional information.

John Dozier opposed the bill. He said that probably 85% of the filings are made by title companies who may not be familiar with the details of the transaction. He stated that it is not uncommon for registrars to call for further information and that most registrars are very cooperative in assisting. Mr. Dozier said S.B. 405 would cause delays in pay-outs and updates on abstracts.

Brad Welch testified in support of the bill. He emphasized that the fact that most filings are made by title companies who are not informed as to the details of the matter is the very problem appraisers experience with the certificate of value cards. He noted that the certificate of value cards will become even more important with the advent of reappraisal.

H.B. 2211 was distributed to the Committee (Attachment 7). The bill would have expanded the information requested on the certificate of value card but was killed on the House floor, procedurally.

The Committee then considered several 1985 bills and resolutions which are no longer applicable.

S.C.R. 1620 - Constitutional amendment; classification of property for purposes of taxation

Senator Thiessen moved that S.C.R. 1620 be reported adversely. Senator Burke seconded the motion, and the motion carried.

S.C.R. 1615 - Constitutional amendment; classification of property for purposes of taxation

Senator Karr moved that S.C.R. 1615 be reported adversely. Senator Burke seconded the motion, and the motion carried.

S.B. 194 - Income tax credit for water measuring device costs

Senator Frey moved that S.B. 195 be reported adversely. The motion died for lack of a second.

S.B. 186 - Income tax checkoff for Statute of Liberty-Ellis Island restoration

Senator Thiessen moved that S.B. 186 be reported adversely. Senator Hayden seconded the motion, and the motion carried.

S.B. 133 - Local compensating use tax imposed upon motor vehicles

Senator Burke moved that S.B. 133 be reported adversely. Senator Frey seconded the motion, and the motion carried.

H.B. 2583 - Farm machinery and equipment exemption from property taxation

Senator Salisbury moved that H.B. 2583 be reported adversely. Senator Burke seconded the motion, and the motion carried.

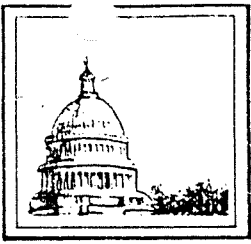
Senator Karr moved that the minutes of the January 21, 1986 meeting be approved. Senator Hayden seconded the motion, and the motion carried.

Meeting adjourned.

ASSESSMENT AND TAXATION

OBSERVERS
(PLEASE PRINT)

DATE	NAME	ADDRESS	REPRESENTING
22 Jan	Frye Gold	State Office Bldg	KCC
22 Jan	Karen L. McClain	TOPEKA	Ks. Assoc of Realtors
22 Jan	John W. Dyer	Topeka	Ks. Land Tr. Assn.
22	Richard Frank	"	KASB
22 Jan	Chris Ballman	Sedgwick County	Appraiser
22 Jan	Debey Ireland	Harper County	Appraiser
22	Ernie Eslick	Maize, Stanton Co	Appraiser
22	Bruce Wolch	Hearing, Shely	Appraiser
22 Jan	CHARLES H. CLARK	ELK - GREENWOOD	APPRAISER
22 Jan	Chap Wheelen	Topeka	McGill + Assoc's
22	Ron Smith	"	Ks. Pac Assn
22 Jan	Mary Ann Neale	State Office Bldg	KCC
"	Mike German	Ks Railroad Ass'n	← Topeka
22 Jan	Gerry Ray	Platte	Johnson Co
22 Jan	Tom Groneman	K.C. Ks.	Ks. Reg of Deeds Assn.
"	JANET STUBBS	Topeka	HBAK
"	TREVA POTTER	"	NORTHERN NAT. GAS
	Ron Calbert	NEWTON	United Transportation Union
	Dan Seeburger	Harper	Brotherhood of Morticians of Pa.
	D. Ferrell	TOPEKA	Budget
	Sam Muff	Topeka	Budget
	John K. Blythe	Manhattan	Ks Farm Bureau



Attachment 1

JAN 14 1986

JL-3

Johnson County SILVER HAired LEGISLATURE

DISTRICT 1

Claire Ewert
4718 W. 66th St.
Prairie Village
66208

Senator Paul Burke, Jr.
Office of the Majority Leader
Senate Chambers
Topeka, Ks. 66612

8501 Glenwood
Overland Park, Ks. 66212
Jan. 11, 1986

DISTRICT 2

Clair Sloan
12109 W. 68th Terr.
Shawnee 66216

Subject: SHL Bill No. 201

Dear Bud:

DISTRICT 3

Victor Petruzelli
5002 W. 112th St.
Leawood 66211

Enclosed find copies of SHL Bill 201 which you kindly consented to introduce in the Senate Assessment & Taxation Committee.

DISTRICT 4

James Sund
10010 Carrie Lane
Merriam 66203

Dr. Al Bramble has been our Pres. and fund raiser for the past 3 years. He has served without reimbursement for time and expenses; and now wishes to retire. We think that a successor to work under these circumstances is going to be hard to find. Thus far there have been few candidates for the job.

DISTRICT 5

Robert Rice
411 E. Park
Olathe 66061

The Nebraska SHL has had some financial difficulties, and some good legislators and candidates were lost because they could not afford the expense. We are hoping this does not happen to us.

AT-LARGE

Clarence Arndt
8501 Glenwood
Overland Park
66212

Our "bare bones" budget runs about \$35,000. on odd numbered years, and \$30,000. on even numbered years. The odd numbered years cost more because it is then we hold the SHL elections, select Leadership at the Governor's Conference on Aging, and the 3 day session at Topeka. Meals, hotel rooms, and travel are reimbursed. We are not reimbursed for monthly board meetings in Topeka, etc.

Thought this would help explain the reason for the bill, Bud, and do want you to know we greatly appreciate your efforts in our behalf.

Sincerely,

Clarence

Clarence W. Arndt

1/22/86 Sen. A+T
Attachment 1

SILVER HAIREED LEGISLATURE BILL NO. 201.

By Wyandotte/Leavenworth, Johnson County

and Northwest Kansas Silver Haired Legislatures

AN ACT providing for check-off donation for the purpose of funding the Kansas Silver Haired Legislature.

Be it enacted by the Silver Haired Legislature of the State of Kansas:

Section 1. (a) Each Kansas state individual income tax return form shall contain a designation as follows:

Kansas Silver Haired Legislature. Check if you wish to donate, in addition to your tax liability, or designate from your refund, () \$1, () \$5, () \$10, or () \$_____.

(b) The director of taxation of the department of revenue shall determine annually the total amount designated for use by the Kansas Silver Haired Legislature pursuant to subsection (a) and shall report such amount to the state treasurer. In the case where donations are made pursuant to subsection (a), the director shall deposit the same in the state treasury. The state treasury shall credit the amount certified by the director as the cost of collecting the amount of donations remitted and administering the provisions of this section, which cost shall not exceed 1% of the amount of donations remitted, to the state general fund and shall credit the balance of the amount of donations remitted to the Kansas Silver Haired Legislature fund.

(c) "There is hereby established in the state treasury the Kansas Silver Haired Legislature fund."

**FIGURE 1
RATIO STUDY CARD**

To facilitate obtaining necessary sale and assessment data and to insure uniform reporting, the Division of Property Valuation prescribes and furnished "ratio study cards" to be used by county officials in furnishing information covering real estate sales.

County	Co. No.	School Dist.	Date Deed Recorded	Certificate of Value	Total Assessed Value	Ratio: Total Assessed Value Divided by Certificate of Value																																																																				
Grantor & Address			Date of Sale	Price Shown by Deed	Assumed Mortgage																																																																					
Grantee & Address			Should this transaction be used in the sales-assessment ratio study? <input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is "no", give brief explanation.		Reject Code <input type="checkbox"/>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="4">Property Classification</th> </tr> <tr> <td colspan="2">1 URBAN</td> <td colspan="2">2 RURAL</td> </tr> <tr> <td colspan="2">1 Residential.</td> <td colspan="2">3 Commercial.</td> </tr> <tr> <td>Prior to Sale</td> <td>After Sale</td> <td>Prior to Sale</td> <td>After Sale</td> </tr> <tr> <td>1 <input type="checkbox"/> Single Family <input type="checkbox"/></td> <td></td> <td>1 <input type="checkbox"/> Commercial <input type="checkbox"/></td> <td></td> </tr> <tr> <td>2 <input type="checkbox"/> Multifamily <input type="checkbox"/></td> <td></td> <td>2 <input type="checkbox"/> Industrial <input type="checkbox"/></td> <td></td> </tr> <tr> <td>3 <input type="checkbox"/> Condo <input type="checkbox"/></td> <td></td> <td>3 <input type="checkbox"/> Vacant Lot <input type="checkbox"/></td> <td></td> </tr> <tr> <td>4 <input type="checkbox"/> Vacant Lot <input type="checkbox"/></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">2 Agricultural.</td> <td colspan="2">4 State Appraised.</td> </tr> <tr> <td>Prior to Sale</td> <td>After Sale</td> <td>Prior to Sale</td> <td>After Sale</td> </tr> <tr> <td>1 <input type="checkbox"/> Improved with Residence <input type="checkbox"/></td> <td></td> <td>1 <input type="checkbox"/></td> <td></td> </tr> <tr> <td>2 <input type="checkbox"/> Improved no Residence <input type="checkbox"/></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3 <input type="checkbox"/> Unimproved <input type="checkbox"/></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2"></td> <td colspan="2">5 Public Service.</td> </tr> <tr> <td colspan="2"></td> <td>Prior to Sale</td> <td>After Sale</td> </tr> <tr> <td colspan="2"></td> <td>1 <input type="checkbox"/></td> <td></td> </tr> <tr> <td colspan="2"> # Acres <input style="width:50px;" type="text"/> </td> <td colspan="2"></td> </tr> </table>	Property Classification				1 URBAN		2 RURAL		1 Residential.		3 Commercial.		Prior to Sale	After Sale	Prior to Sale	After Sale	1 <input type="checkbox"/> Single Family <input type="checkbox"/>		1 <input type="checkbox"/> Commercial <input type="checkbox"/>		2 <input type="checkbox"/> Multifamily <input type="checkbox"/>		2 <input type="checkbox"/> Industrial <input type="checkbox"/>		3 <input type="checkbox"/> Condo <input type="checkbox"/>		3 <input type="checkbox"/> Vacant Lot <input type="checkbox"/>		4 <input type="checkbox"/> Vacant Lot <input type="checkbox"/>				2 Agricultural.		4 State Appraised.		Prior to Sale	After Sale	Prior to Sale	After Sale	1 <input type="checkbox"/> Improved with Residence <input type="checkbox"/>		1 <input type="checkbox"/>		2 <input type="checkbox"/> Improved no Residence <input type="checkbox"/>				3 <input type="checkbox"/> Unimproved <input type="checkbox"/>						5 Public Service.				Prior to Sale	After Sale			1 <input type="checkbox"/>		# Acres <input style="width:50px;" type="text"/>			
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City or Township Name	Number-Range		District Supervisor 234688																																																																							
Addition/Section			County officials are urged to comment if they have knowledge about this sale. Use back of this original for additional space.																																																																							
Block Lot/Quarter			Signed _____																																																																							
Book No.	Page No.			Ratio Study K.S.A. 79-1435 etc. (Original—Division of Property Valuation. Duplicate—To be retained by County.																																																																						
Appraiser's Code No.			Were the conditions of this sale verified? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes: Name of person or persons contacted _____ Phone number () _____ Signed _____																																																																							

PV-RE-4 (Rev. 9/82)

**FIGURE 2
CERTIFICATE OF VALUE**

Subsequent to July 1, 1967, a certificate of value was obtained from the purchaser and this provided the sale price as follows:

INFORMATION REQUESTED	COUNTY OFFICIALS USE ONLY
Grantee: _____	
PROPERTY LOCATION: (Condense lengthy legal descriptions)	
(City or Township) _____ (Add. or Sec.) _____ (Blk. or Twp.) _____ (Lots or Rng.) _____	Reg. of Deeds: Book _____ Page _____
Street or R. F. D. No. _____	Co. Appraiser's Code No. _____

CERTIFICATE OF VALUE

I hereby certify that the total consideration paid for the property transferred by the deed or instrument of which this certificate is appended covering is, to the best of my knowledge or belief as follows:

\$ _____

I further certify that the present use of the property is _____ and its intended use is _____ and that as a result such property is properly classified for the purpose of determining the fair market value thereof as _____ (See back for list of classifications)

I further certify that the address to which tax statements for the property are to be sent is _____ (Mailing address for tax statements)

Given this _____ day of _____, 19 _____

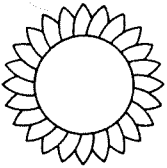
Signature: _____
Grantor, Grantee or his agent

(Address)

PV-RE-8
(Rev. 7/76)

K.S.A. 58-2223a-58-2223e Incl. 1975 Supplement

1/22/86 Sen. A+T
Attachment 2



SENATE ASSESSMENT AND TAXATION COMMITTEE
HEARING ON SENATE BILL NO. 405
WEDNESDAY, JANUARY 22, 1986
TESTIMONY OF GERRY RAY, INTERGOVERNMENTAL COORDINATOR
JOHNSON COUNTY BOARD OF COMMISSIONERS

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE. MY NAME IS GERRY RAY, REPRESENTING THE JOHNSON COUNTY COMMISSION. I APPEAR IN SUPPORT OF SENATE BILL 405 REQUIRING VERIFICATION OF THE CERTIFICATE OF VALUE PRIOR TO THE RECORDING OF A PROPERTY TRANSFER WITH THE REGISTER OF DEEDS.

THE PROPOSED PROCEDURE WILL GIVE THE APPRAISER'S OFFICE A METHOD BY WHICH ERRORS INVOLVING THE SALE PRICE OF TRANSFERED PROPERTY CAN BE EASILY CORRECTED WITH A MINIMAL EXPENDITURE OF PERSONNEL TIME BY THAT OFFICE. FURTHER IT WILL ENSURE THAT CORRECT INFORMATION IS UTILIZED FOR THE PROPOSE OF PROPERTY VALUATION.

AS THE REAPPRAISAL PROCESS MOVES AHEAD IT IS ESSENTIAL THAT THE COUNTY'S INFORMATION GATHERING BE AS ACCURATE AND EFFICIENT AS POSSIBLE. SENATE BILL 405 PROVIDES AN IMPROVED PROCEDURE TO HELP US ACHIEVE THIS AND WE SEEK YOUR SUPPORT FOR ITS PASSAGE.

EXECUTIVE COMMITTEE OFFICERS

KANSAS COUNTY APPRAISERS ASSOCIATION

BRAD WELCH, C.K.A.
President
Kearny County Courthouse
Lakin, Kansas 67860
316-355-6427

January 17, 1986

CHARLES H. CLARK, C.K.A.
President Elect
Greenwood County Courthouse
Eureka, Kansas 67045
316-583-7431

Honorable Senator Fred Kerr, Chairman
Senate Assessment and Taxation
State Capitol Building
Topeka, Kansas 66612

MARK HIXON
Vice President
Barton County Courthouse
Great Bend, Kansas 67530
316-792-4226

Dear Mr. Chairman & Members of the Committee:

ROBERT GARDNER, C.K.A., A.S.A.
(Immediate Past President)
Wyandotte County Courthouse
Kansas City, Kansas 66101
913-573-2895

Thank you for allowing us to appear before your committee concerning Senate Bill #405. The Kansas County Appraiser's Association strongly supports this Bill. Since the Certificate of Value is the primary document used by the Appraiser's Office to prepare the ratio study and assist in establishing property values, we suggest this document can become even more useful and verifiable if prepared in the Appraiser's Office by people who are trained in this field. We realize this may cause a small amount of initial confusion and inconvenience to the public, but with the advent of reappraisal magnifying the importance of this document as a tool for reappraisal we respectfully submit to you, the benefits will far outweigh the small initial amount of confusion and inconvenience.

The monumental task and cost of reappraisal requires all of us to make the most efficient use of all the means available to us, we feel strongly that Senate Bill #405 will assist all of us in accomplishing that task. Thank you for your consideration and time.

EXECUTIVE COMMITTEE BOARD MEMBERS

CYNTHIA E. WILSON
(Southeast Region)
Woodson County Courthouse
Yates Center, Kansas 66783
316-625-2232

KAY GROCHOWSKY, C.K.A.
(South Central Region)
Sumner County Courthouse
Wellington, Kansas 67152
316-326-8986

GARY A. POST, C.K.A.
(Southwest Region)
Ford County Courthouse
Dodge City, Kansas 67801
316-227-3184

Respectively submitted,

Handwritten signature of Brad Welch

Brad Welch
President, KCAA

MARVIN L. BRINKMAN, C.K.A.
(Northeast Region)
Lyon County Courthouse
Emporia, Kansas 66801
316-342-3854

JAMES W. RUHNKE
(North Central Region)
Geary County Courthouse
Junction City, Kansas 66441
913-238-4407

RICHARD E. BATCHELLOR
(Northwest Region)
Sherman County Courthouse
Goodland, Kansas 67735
913-899-7581 Ext 29

Professional Designation
Logo: KA
Certified Kansas Appraiser

Affiliation
Logo: IAAO
International Association of Assessing Officers

Affiliation
Logo: Kansas Official Council
Kansas Official Council

Affiliation
Logo: North Central Regional Association of Assessing Officers
North Central Regional Association of Assessing Officers

1/22/86 Sen. A&T
Attachment 4



**KANSAS BAR
ASSOCIATION**

OFFICERS

PRESIDENT
Gerald L. Goodell
215 E. 8th
Topeka, KS 66603 (913) 233-0593
PRESIDENT-ELECT
Jack R. Euler
P. O. Box 326
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VICE-PRESIDENT
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SECRETARY-TREASURER
Dennis L. Gillen
621 1st Nat'l Bank Bldg.
Wichita, KS 67202 (316) 265-9621

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P.O. Box 1398
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Leigh Hudson
200 Citizens Nat'l. Bank
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Fort Scott, KS 66701 (316) 223-2900
DISTRICT 4
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Danton C. Hejmanek
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Hon. Michael Corrigan
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EXECUTIVE DIRECTOR
Marcia Poell
P.O. Box 1037
Topeka, KS 66601 (913) 234-5696

January 22, 1986

The Honorable Fred Kerr
Chairman
Senate Assessment & Taxation Committee
Statehouse
Topeka, KS

re: SB 405

Dear Senator Kerr,

KBA has no formal position on this legislation. However, it was reviewed by the Real Estate, Trust and Probate Section of our Bar Association, which is very active; they see some problems with the bill. Those problems are expressed in the attached letter from Mert Buckley, a Wichita attorney and one of the officers of the Section.

We offer this information as it might be of help to the committee's deliberations on this bill.

Sincerely yours,

Ronald D. Smith
Legislative Counsel

RDS/s
SB405/LEGIS86

enc

cc: Committee Members
Gerald Goodell
Mert Buckley
Richard Hite
Nancy Schmidt Roush

ADAMS, JONES, ROBINSON AND MALONE

CHARTERED

ATTORNEYS AT LAW

CLIFFORD L. MALONE
MARK H. ADAMS II
JOHN S. SEEBER
PHILIP L. BOWMAN
DONALD W. BOSTWICK
BRIAN E. SULLIVAN
MERT BUCKLEY
JOHN W. SUMI
MONTE VINES
TERESA J. JAMES
LAURA L. ICE

OF COUNSEL
CHARLES E. JONES
WM. I. ROBINSON

POST OFFICE BOX 1034
WICHITA, KANSAS 67201-1034

MARK H. ADAMS (1897-1984)
J. ASHFORD MANKA (1911-1970)

January 17, 1986

AMERICAN SAVINGS BUILDING
201 NORTH MAIN

TELEPHONE 316/265-8591

Senator Fred Kerr
Statehouse
Topeka, Kansas

Re: SB405 - Filing Certificate of Value

Dear Senator Kerr:

I am a lawyer in private practice, and am writing in opposition to Senate Bill 405.

The bill will require anyone wishing to file a deed to first file the Certificate of Value with the County Appraiser, instead of filing both the certificate and deed with the Register of Deeds which is the current practice. The Appraiser will then provide "verification" showing the Certificate of Value has been completed and signed and filed with the Appraiser's office. The deed can then be presented to the Register of Deeds for filing.

I am against the bill because it adds an unnecessary, and time-consuming, step to the recording process. Also, it will require the citizen to transfer this information; a function that is currently the duty of the Register of Deeds and County Appraiser.

When I first heard of this legislation, I called Pat Brown, Johnson County Appraiser. He said he was the "instigator" of the bill. He felt it was absolutely necessary to assist his office in reappraisal of real estate. He told me his primary complaint was that the Certificate of Value does not contain enough information to allow his office to properly appraise the property. I suggested to him that that could be rectified by revising the Certificate of Value forms, not by revising the place where the Certificate is filed. He still felt it would be more helpful if the Certificate was first filed in the Appraiser's office so they could have an opportunity to review it. I think he pictured the Certificate would be filed and the deed would be stamped. At that point, the filing party could take the deed to the Register of Deeds who could then see it had been approved by the County Appraiser, and the deed could then be filed.

Senator Fred Kerr
January 17, 1986
Page 2

I also spoke with Bob Gardner, County Appraiser in Wyandotte County. He was strongly in favor of the bill. He said the main reason the Certificate needs to be recorded first with the County Appraiser is to allow the Appraiser an opportunity to review the document to assure all the information is properly completed. He said if the information is not complete, or is vague, it is much easier for them to complete it while the person filing the deed is standing at the counter than it would be to try and track them down several weeks later. He said it was so important to him, he would place one of his people in the Register of Deeds Office to receive the filing if the bill was defeated.

I am not persuaded by these arguments. The bill still seems to add an unnecessary step to the recording process. Also, it may delay filing of a deed, raising title problems in closing a loan. The Register of Deeds has been accepting Certificates of Value for years and would appear to be capable of continuing to do so with a revised form. If the appraisers are not getting the information they need from the Certificate of Value, then the answer is to change the questions on the Certificate - not the place where the Certificate is filed.

Sincerely,

ADAMS, JONES, ROBINSON AND MALONE,
Chartered



Mert Buckley

MB:st

cc: Mr. Ronald D. Smith
Mr. Gerald L. Goodell
Mr. Richard C. Hite
Ms. Nancy Schmidt Roush



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TESTIMONY BEFORE
THE SENATE ASSESSMENT AND TAXATION COMMITTEE
JANUARY 22, 1986

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, I AM KAREN MCCLAIN, DIRECTOR OF GOVERNMENTAL AFFAIRS FOR THE KANSAS ASSOCIATION OF REALTORS®, AND I AM HERE TO SPEAK IN OPPOSITION TO SB 405.

THE KANSAS ASSOCIATION OF REALTORS FEELS STRONGLY THAT THE REMEDY BEING PROPOSED BY THIS BILL EXCEEDS THE PROBLEM WHICH IT IS ATTEMPTING TO REMOVE.

AS WE UNDERSTAND IT, THE PURPOSE OF THIS BILL IS TO HELP EXPEDITE THE TRANSFER OF INFORMATION CONTAINED IN CERTIFICATES OF VALUE FROM THE REGISTER OF DEEDS OFFICE TO THE APPRAISER'S OFFICE. HOWEVER, WHILE EXPEDITING THIS PROCEDURE, THE PROPOSED BILL DELAYS THE PROCESS WHEREBY HOMEBUYERS RECEIVE AND RECORD TITLE TO THEIR PROPERTY, AND DELAYS THE EFFECTIVENESS OF A MORTGAGE.

WHILE A DEED IS EFFECTIVE WHEN IT IS DELIVERED AND ACCEPTED, PRIORITIES OF PROPERTY OWNERSHIP IS NOT EFFECTIVE UNTIL THE DEED IS FILED. EVEN MORE IMPORTANT, A MORTGAGE IS NOT EFFECTIVE UNTIL A DEED IS FILED. CONSEQUENTLY, BY CREATING ANOTHER STEP IN THE RECORDING PROCESS, THIS BILL WOULD DELAY THE TIME FOR PROPERTY AND EQUITY RIGHTS TO TAKE EFFECT.

WHILE IT APPEARS THAT ALL THAT WILL HAPPEN IS JUST ONE MORE STOP AT ONE MORE OFFICE, IT MAY MEAN THAT, DEPENDING ON THE SIZE OF THE STAFF IN AN APPRAISER'S OFFICE, YOU STAND IN ONE LINE FOR AN HOUR JUST TO FILE YOUR CERTIFICATE OF VALUE, ONLY TO FIND ANOTHER LINE AT THE REGISTER OF DEEDS OFFICE, WHICH MAY CLOSE FOR THE DAY BEFORE YOU EVER GET TO THE COUNTER. SOME OF YOU MAY HAVE EXPERIENCED THIS WHEN YOU HAVE TO STAND IN LINE TO PAY YOUR PROPERTY TAX ON YOUR CAR, AND THEN STAND IN LINE TO PAY FOR YOUR LICENSE, ONLY TO HAVE THE LICENSE OFFICE CLOSE THE DOOR IN YOUR FACE.

IT MUST BE POINTED OUT THAT HOMEBUYERS OFTEN SELL ONE HOUSE TO BUY ANOTHER, AND ARE THUS WAITING ANXIOUSLY FOR ALL OF THE PAPERWORK TO BE DONE SO THAT THEY CAN MOVE IN. IF THEY ARE FORCED TO MOVE OUT OF THEIR OLD HOUSE BEFORE THEY CAN MOVE IN TO THEIR NEW ONE, THEY MUST FIND SOME SORT OF TEMPORARY HOUSING, USUALLY RENTAL SITUATIONS. ONE DAY'S DELAY MAY MEAN A FULL MONTH'S RENT IN THE TEMPORARY HOUSING.

THE KANSAS ASSOCIATION OF REALTORS® UNDERSTANDS THE NEED FOR ACCURACY IN THE CERTIFICATES OF VALUE. HOWEVER, TO COMPLETELY CHANGE THE FILING SYSTEM IN ORDER TO REMEDY WHAT APPEARS TO BE A COMMUNICATION PROBLEM PLACES AN UNDUE BURDEN ON NOT ONLY THOSE IN THE REAL ESTATE BUSINESS, BUT ALSO THE HOMEBUYERS. WE SUGGEST THAT, IF SOMETHING MUST BE DONE TO CHANGE THE STATUTE, PERHAPS THE STATUTE SHOULD BE AMENDED TO REQUIRE THAT ONCE A DAY THE CERTIFICATES OF VALUE BE TRANSFERRED FROM THE REGISTER OF DEEDS OFFICE TO THE APPRAISER'S OFFICE.

ACCORDINGLY, WE ASK THAT YOU LEAVE THE FILING REQUIREMENTS AS THEY ARE, AND THAT YOU DO NOT PASS SB 405.

1/22/86 Sen. A+T
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As Amended by House Committee

Session of 1985

HOUSE BILL No. 2211

By Committee on Assessment and Taxation

2-6

0018 AN ACT concerning certificate of value forms used for assess-
0019 ment-sales ratio study purposes; amending K.S.A. 58-2223d
0020 and repealing the existing section.

0021 Be it enacted by the Legislature of the State of Kansas:

0022 Section 1. K.S.A. 58-2223d is hereby amended to read as
0023 follows: 58-2223d. (a) The certificate of value shall include a
0024 statement certifying the address to which tax statements for the
0025 property are to be sent. ~~Said~~ The certificate shall be in substan-
0026 tially the following form except that the director of property
0027 valuation may alter the same to reflect ~~relevant~~ any or all of the
0028 information ~~deemed necessary to compile the assessment-sales~~
0029 ~~ratio study~~ listed in subsection (b):

CERTIFICATE OF VALUE

0030
0031 I hereby certify that the total consideration paid for the property transferred by
0032 the deed or instrument of which this certificate is appended covering is, to the
0033 best of my knowledge or belief as follows:
0034 \$ _____

0035 I further certify that the present use of the property is _____
0036 _____ and its
0037 intended use is _____ and that
0038 _____
0039 as a result such property is properly classified for the purpose of determining the
0040 fair market value thereof as _____

0041 I further certify that the address to which tax statements for the property are to
0042 be sent is _____
0043 _____
0044 _____

0045 Given this _____ (Mailing address for tax statements)
0046 _____ day of _____, 19____
0047 Signature _____
0048 _____ (Grantor, grantee or his or her agent)
0049 _____ (Address)

- 0050 (b) (1) Was the sale a sale of convenience?
- 0051 (2) (A) Was the sale a sale between relatives?
- 0052 (B) Was the sale a sale between related businesses?
- 0053 (3) Was the sale a sale or transfer of property in connection

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- 0054 with a foreclosure or other such legal action?
0055 (4) If the property was purchased by way of contract for deed,
0056 provide year contract was initiated _____.
0057 (5) Were personal property items included in the total sale
0058 price?
0059 (6) Have improvements been added to this property since
0060 January 1?
0061 (7) Has the property been damaged or structures demolished
0062 since January 1?
0063 (8) Was a trade of property involved in the sale?
0064 Sec. 2. K.S.A. 58-2223d is hereby repealed.
0065 Sec. 3. This act shall take effect and be in force from and
0066 after its publication in the statute book.