

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation

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

11:00 a.m./~~p.m.~~ on Monday, February 10, 1986 in room 519-S of the Capitol.

All members were present ~~except~~ XXXX

Committee staff present:

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

Conferees appearing before the committee:

Senator Phil Martin
Senator Joe Warren
Brad Welch, Kansas County Appraisers Association
Senator Bob Frey
Bev Bradley, Kansas Association of Counties

Senator Mulich moved that the minutes of the February 6, 1986 meeting be approved. Senator Hayden seconded the motion, and the motion carried.

S.B. 513 - Certificates of value; open public record

Senator Phil Martin explained that the bill would change certificates of value from being closed records to being public records. He said that, in actuality, many of these sales of real estate are not private and sales information can be obtained from multi-list booklets. Senator Martin stated that the information contained on the certificates is used to develop the sales assessment ratio study which is used to determine the school finance formula. He said it is especially important that this information be available to the public with the advent of reappraisal and that this would help in the public acceptance of the ratio study. In response to a question from Chairman Kerr, Senator Martin said that this bill differs from S.B. 406 in that income information is not available from sources such as multiple listing publications.

In response to a question, Karen McClain (Kansas Association of Realtors) said that if the seller requests a sale to be kept confidential, it is not included in the summary of sales listing booklet.

Senator Joe Warren testified in support of the bill. He described how development of ag land had distorted the rural ratios in Cowley County and that that he is currently unable to examine the records to determine the cause.

Brad Welch spoke in favor of the bill (Attachment 1). He feels that making this information a matter of public record will result in more accurate appraisals as well as being beneficial to the general real estate industry.

Chairman Kerr advised he had received a phone call from William Mitchell, who represents the abstractors association, reporting that his association generally favors the bill. It was noted that several county clerks were present at the meeting, but, as an association have no position on the bill. Larry Verbon, Wyandotte County Clerk, told the Committee that he personally is in favor of the bill. Chairman Kerr noted he also received a call from Jackie Webb, Allen County Register of Deeds, who expressed opposition to the bill.

S.B. 548 - Delinquent property tax sales; action discretionary with board of county commission

Senator Bob Frey said that the present statute requires that the county initiate foreclosure proceedings in cases where delinquent taxes exceed \$10,000 in assessed valuation. S.B. 548 would raise the \$10,000 figure to

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation,
room 519-S, Statehouse, at 11:00 a.m./~~p.m.~~ on February 10, 1986

\$1 million. Senator Frey explained that there are situations where the taxes are delinquent but it is common knowledge that they will be paid. He feels it is to everyone's benefit not to go to the expense of initiating foreclosure proceedings in these instances.

Bev Bradley testified in favor of the bill (Attachment 2). She said there is some feeling that the \$1 million figure may be too high.

Senator Frey moved that the bill be amended by substituting \$300,000 for the \$1 million figure. Senator Montgomery seconded the motion, and the motion carried. Senator Frey moved that the bill, as amended, be recommended favorably for passage. Senator Karr seconded the motion, and the motion carried.

Meeting adjourned.

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KANSAS COUNTY APPRAISERS ASSOCIATION

February 10, 1986

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

Dear Mr. Chairman and Members of the Committee:

My name is Brad Welch. I am currently the County Appraiser for two counties in western Kansas, and at present I am also serving as the President of the Kansas County Appraisers Association (KCAA). Thank you for this opportunity to appear before your committee in support of Senate Bill #513.

The legislative committee of the KCAA has discussed this proposal and have come to the conclusion that information contained on the Certificate of Value should be open for public inspection for the following reasons:

1. This data is now public record in several states with no determinable detrimental effects.

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Designation



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2. We believe that public scrutiny could well have a positive effect as relates to the accuracy of the data now reported on the Certificate of Value.

3. We believe that a large portion of this information is now available through several sources including but not limited to, multi-listing services, word of mouth, and in rural areas most people are made aware by advertising of public auctions in their area, and either attend the auctions, or inquire of their neighbors as to final selling prices.

4. At present all county appraisers are encouraged to verify sales prices and terms of sales. This is done by both county appraisers and PVD personel to insure the State Sales Ratio Study contains the most accurate information available. It seems to us that something is wrong with our present system if verification is required to check the values shown on the Certificate, when indeed this data is mandated to be certified by the Grantor, Grantee, or their agent. Many appraisers in the past several years

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have brought to the attention of the Division of Property Valuation the erroneous data and sales prices that have been reported by some who try to circumvent the system, however, we know of only one case where this was rectified by legal action.

5. Another reason for our support of SB #513 is that we believe the taxpayers of this state should be entitled to access of any sales data that is used as an indicator of value. We believe that this is imperative as the bottom line appraised values will be used as a starting point in the final determination of their real estate tax bill.

Mr. Chairman, we believe that sales data, unlike income and expense information, should be public record not only to insure better appraisals for Ad Valorem tax purposes, but to also assist the general real estate industry in making more data available to all appraisers, investors, and lending institutions who are attempting to arrive at market value estimates for many purposes that affect our lives daily. At present the state Sales Ration Study is primarily

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used for calculation of District wealth for the distribution of State Aid to Education, however with the passage of SB #164 the Ratio Study will be used to indicate market value during the re-appraisal, and after 1989 will be used to measure the accuracy of individual classes of property, in addition to determining whether counties are in compliance with the provisions of SB #164. We believe that too many substantial economic and oversite items are dependant on accurate sales data to allow a few speculators or other persons for any reason, to hide behind the secrecy requirements of the current law. In order that past sales data be available to the public, we suggest that SB #513 be ammended to include all Certificate of Value data that is now in the County Appraiser's office.

Respectfully submitted,

Brad Welch
Brad Welch
President, KCAA

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**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"/>			
City or Township Name						
Number-Range						
Addition/Section						
Block/Lot/Quarter						
Book No.	Page No.		District Supervisor 234688 County officials are urged to comment if they have knowledge about this sale. Use back of this original for additional space. Signed _____ Ratio Study K.S.A. 79-1435 etc. (Original—Division of Property Valuation. Duplicate—To be retained by County.)			
Appraiser's Code No.						

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"/>	<input type="checkbox"/>
2 <input type="checkbox"/> Improved no Residence	<input type="checkbox"/>	5 Public Service.	
3 <input type="checkbox"/> Unimproved	<input type="checkbox"/>	Prior to Sale	After Sale
# Acres <input style="width:50px;" type="text"/>		1 <input type="checkbox"/>	<input type="checkbox"/>

Were the conditions of this sale verified?
 Yes No
 If yes: Name of person or persons contacted _____
 Phone number () _____
 Signed _____ MI-778

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

Kansas Association of Counties

Serving Kansas Counties

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

Phone 913 233-2271

February 10, 1986

Senator Fred Kerr
Members of the Senate Assessment and Taxation Committee

Re: SB 548

Good morning, I am Bev Bradley Legislative Coordinator for the Kansas Association of Counties.

I appear before you today in support of SB-548 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 \$1,000,000. 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.

2/10/86 Sen. A+T
Attachment 2