

Approved \_\_\_\_\_  
Date

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 March 23, 1987 in room 519-S of the Capitol.

All members were present except:

Committee staff present:

Tom Severn, Research  
Chris Courtwright, Research  
Don Hayward, Revisor's Office  
Sue Pettet, Secretary to the Committee

Conferees appearing before the committee:

Representative Bill Bryant  
✓ Fred Weaver, Board of Tax Appeals  
Gary Smith, Shawnee County Appraiser  
Representative Cliff Campbell

Chairman Kerr called the meeting to order and said the agenda for the day was to have hearings on House Bills 2402 and 2283.

HOUSE BILL 2283

Rep. Bill Bryant, one of the sponsors of the bill, testified in support of H.B. 2283. (Attachment 1) He stated that H.B. 2283 deals with the authority to abate the penalty placed on a taxpayer who is late filing their property tax rendition. Currently the authority to abate the penalties lies in the hands of the State Board of Tax Appeals.

He stated that the passage of this bill would remove some of the caseload from the State Board of Tax Appeals, and place it on the local level. If the taxpayer did not like the ruling of the county commissioners he could still appeal to the state board.

Fred Weaver testified in opposition to H.B. 2283. He stated that since the Board of Tax Appeals has been trying to get uniformity in enforcement of the property tax system that this would be a setback.

Mr. Weaver stated that he felt many of the county commissioners would not want the responsibility of this bill. He felt more problems would be created if the commissioners were given the authority to abate these taxes. He stated he realized the 50% penalty was very strict. He said that in many cases this penalty is considerably reduced, especially if it would be detrimental to a small business.

Gary Smith testified in opposition to H.B. 2283. He stated he felt the bill would create many problems. He said he felt the bill is somewhat contradictory in that it would provide that appraisers could place additional valuations on the tax roles and that commissioners could turn around and take them off.

HOUSE BILL 2402

Rep. Cliff Campbell testified in support of H.B. 2402. He said that the bill would provide for payment of real estate taxes to be paid on Monday with no penalty if December 20th fell on a weekend.

Nancy Welsh, Douglas County Treasurer, was unable to be present, but sent a letter supporting H.B. 2402. (Attachment 2)

After committee discussion, Senator Allen made a motion that H.B. 2402 be recommended favorably for passage and that since it is of non-controversial nature that it be placed on the Consent Calendar. Senator Burke seconded. Motion carried.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation,  
room 519-S, Statehouse, at 11:00 a.m./~~a.m.~~<sup>p.m.</sup> on March 23, 1987

COMMITTEE DISCUSSION ON H.B. 2209

Chairman Kerr explained that the bill provides for a sampling techniques for sales tax audits for businesses.

There was committee discussion concerning the sampling techniques and what effect it would have on some businesses if the high volume months were the months that were sampled, i.e: clothing stores in November and December.

After committee discussion, Senator Burke made a motion to amend after the comma on line 35 by adding the words "or was not reflective of the taxpayers actual tax liability." Senator Parrish seconded. The motion was adopted.

Senator Hayden made a motion that H.B. 2209 be recommended favorably for passage as amended. Senator Thiessen seconded. Motion carried.

Senator Allen made the motion to accept the minutes of the March 19, 1987 meeting. Senator Mulich seconded. Motion carried.

Meeting adjourned.



WILLIAM M. BRYANT, D V M.  
 REPRESENTATIVE SIXTY THIRD DISTRICT  
 WASHINGTON, REPUBLIC AND  
 NORTHERN RILEY COUNTIES  
 P. O. BOX ROUTE 23  
 WASHINGTON, KANSAS 66968



TOPEKA

HOUSE OF  
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
 VICE CHAIRMAN - INSURANCE  
 MEMBER - AGRICULTURE AND SMALL BUSINESS  
 FEDERAL AND STATE AFFAIRS

House Bill 2283

Testimony for Taxation Committee  
 March 3, 1987

House Bill 2283 deals with the authority to abate the penalty placed on a taxpayer who is late filing his or her property tax statement whenever the cause is excusable neglect.

As you know, if your property tax statement is not filed on time, you are subject to a penalty. It is very stiff and progresses from 10% within 30 days to 50% if you are over 60 days late. Currently the authority to abate such a penalty lies in the hands of the State Board of Tax Appeals.

I have introduced this bill after considering its request by the Commissioners of Washington County. A year ago they found out that they had no authority over the application of this penalty. These County Commissioners, myself, and others listed as sponsors of this bill feel that they should have some authority over the abatement of this penalty. Whenever a county taxpayer feels that he has been aggrieved by some officer in the courthouse, the commissioners are the obvious people for him to go and see. I would submit to you that most taxpayers think that the commissioners are their first line of appeal.

The passage of this bill would remove some of the caseload from the State Board of Tax Appeals, and place it at home on the local level where it belongs. Not only is it closer for the local taxpayer, but all records relating to the case would be close at hand also. Under this bill, the only changes deal with the penalty itself and not the taxes.

If the taxpayer did not like the ruling of the county commissioners, he could still appeal to the state board.

In visiting with a member of the state board and having legislative research check into some of their penalty abatements, it seems that

their greatest fear, if they give up this function, is that 105 different ways of defining excusable neglect would evolve. However, in their own words they have stated that sometimes the penalty is abated totally, sometimes partially, and sometimes not at all. I can't think of too many other combinations that a board of county commissioners could come up with other than these.

Research was unable to procure a list of what type or number of abatements the state board has rendered, but our local county attorney has watched their verdicts for Washington County for the last year or so. He informs me that he has not seen any cases where they have not failed to at least reduce the penalty. There were at least 2 orders where the taxpayer claimed he mailed the rendition and the penalty was abated in its entirety, even though the county appraiser had no record of ever receiving it. There were at least two others where penalties were abated in the entirety in which the taxpayer stated he simply forgot to file the rendition. Due to the liberal definition given to the phrase "excusable neglect" by the Board of Tax Appeals, I can see no problem with such issues being dealt with locally.

Dr. Bill Bryant  
Representative  
63 District

**Douglas County Treasurer**

**DOUGLAS COUNTY COURTHOUSE**

Eleventh & Massachusetts

Lawrence, Kansas 66044

March 20, 1987

Senator Fred Kerr  
Chairman, Assessment & Taxation Committee  
Rm. 143-N  
Statehouse  
Topeka, Kansas 66612

Dear Senator Kerr,

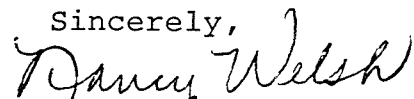
As Douglas County Treasurer and representing the Kansas County Treasurer's Association, I would like to voice our support of House Bill 2402.

Following the laws for payment of personal property and real estate taxes becomes difficult when the due date happens to be Saturday or Sunday and the Treasurer's office is closed. On the county level, most of our day is spent dealing with the public and listening to their concerns. Extending the payment date of personal property and real estate taxes to the next following business day is a significant step in keeping positive relationships with the public.

It not only benefits the taxpayer but saves time on Treasurer's employees when having to explain the reason interest is due even though individuals try to pay on time.

We understand the necessity for your time being spent on larger issues but do appreciate your concerns for the taxpayer. This bill will definitely be a positive measure towards service to the taxpayer. We ask your continued support in having this bill enacted.

Sincerely,



Nancy Welsh  
Douglas County  
Treasurer

— Sen. A & T  
3/23/87

Att. 2

Nancy L. Welsh, County Treasurer  
**Courthouse**

Eleventh & Massachusetts / Lawrence, Kansas 66044 / (913) 841-7700