

Approved On: _____

Minutes of the House Committee on Taxation. The meeting was called to order by E. C. Rolfs, Chairman, at 9:00 a.m. on January 27, 1988 in room 519 South at the Capitol of the State of Kansas.

The following members were absent (excused):

Representatives Leach

Committee staff present:

Tom Severn, Legislative Research
Chris Courtright, Legislative Research
Don Hayward, Reviser of Statutes
Millie Foose, Committee Secretary

Patsy McDonald, Shawnee County Clerk, spoke as a proponent for HB-2702 - AN ACT relating to property taxation, concerning the appeals process for taxpayer grievances resulting from the appraisal and valuation of property. She discussed three aspects of the bill -- The Appeals Process, County Clerk Involvement, and the Time Factor. (Attachment 1) She said that although HB-2702 is not perfect, she believes it is a big step in the right direction.

Gary Smith, Shawnee County Appraiser, testified in support of HB-2702, on behalf of the Kansas County Appraisers Association. He believes that reappraisal of approximately two million valuations will result in a sizeable number of appeals. (Attachment 2)

Beverly Bradley, representing Kansas Association of Counties, spoke as a proponent of HB-2702. She also supports the concept of Advisory Hearing Panels and a County Board of Equalization. (Attachment 3)

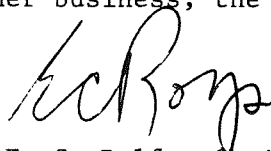
Mildred Baughman, Member of the Reno County Commissioners, has served on the Reappraisal Advisory Committee and on a committee that has studied the Board of Equalization process. She believes some relief must be given to the Board of Equalization and recommends the amendments allowed in HB-2702. (Attachment 4)

Jim Davidson, representing Board of Tax Appeals, made several suggestions which he believes would improve HB-2702. The Board believes the Director should require ability for those who change valuations, and that PVD should regulate it as it would be one form of appeal. Also, that fifteen days is not enough time for the taxpayer to appeal.

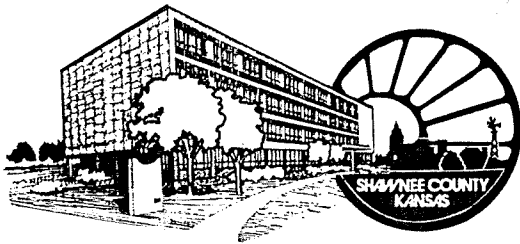
Keith Farrar, representing Board of Tax Appeals, believes there should be a special place for people to complain and air grievances. He thinks there will be difficulty in establishing fair market value and it is very important to have qualified people to make changes.

The minutes of January 26 were approved.

There being no further business, the meeting was adjourned.



E. C. Rolfs, Chairman



Shawnee County
Office of County Clerk

PATSY A. "PAT" McDONALD

295-4155 Main
295-4159 Accounting

Courthouse - Room 107
Topeka, Kansas 66603-3963

January 27, 1988

Representative Ed Rolfs, Chairman
Taxation Committee & Committee Members

My name is Patsy McDonald, County Clerk in Shawnee County. I am appearing today as a representative of the County Clerk's Association.

We are in support of House Bill 2702 and I would like to discuss three aspects of this bill with you.

First - The Appeals Process

This process will no doubt be a lengthy process as it is anticipated that many taxpayers will want to appeal formally, or at least informally.

For example, in Shawnee County, if only 5% of the taxpayers request a hearing, we are talking about 3,350 informal or formal hearings. Some counties are large--some are small--therefore, we feel it makes sense to allow counties the local option of choosing which method will work best for their county to accomplish this task.

Some counties may want a hearing officer, some may want a hearing panel--or several hearing panels, some counties may prefer to go directly from the informal to the formal Board of Equalization process. House Bill 2702 permits each county to decide.

It should be noted that House Bill 2702 authorizes counties to exceed the general fund levy and tax limitation by an amount not to exceed the related costs of such assistants, hearing officers or panels.

Second - County Clerk Involvement

County Clerks will be very involved in the notification process for the formal appeals, to taxpayers, the appraisers and the Department of Property Valuation. Also, Clerks will keep the minutes of the hearing panel appeals and the Board of Equalization appeals. This will require a great deal of organization to coordinate the hearings, but we accept the challenge.

Third - Time Factor

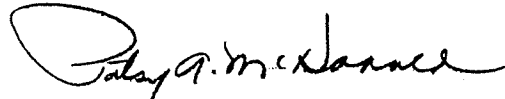
As you know, County Clerks must certify the estimated assessed valuation to all taxing subdivisions by July 1 of each year, so they can complete their budget process, publish, have hearings and file their budgets in our office by August 25. This means the appeals process must be completed no later than June 15 to allow us time to compile the information and certify the assessed values to the cities, schools and other taxing entities.

If indeed, we have a lot of appeals, the time frame between January 1 and June 15 must be well planned and executed very carefully to resolve all appeals at the county level by June 15. This is the reason the taxpayer has only seven days to file for a formal hearing after notification of the results of the informal; and only seven days after receipt of the formal hearing results.

We also approve the combining of the time frame for personal and real property, as opposed to different dates for personal and real property.

In summary, we ask your consideration of House Bill 2702--it may not be perfect, but it is a big step in the right direction.

Sincerely,



Patsy A. McDonald
Shawnee County Clerk

PAM/11h



Shawnee County
Office of County Appraiser

GARY M. SMITH ASA, CKA
APPRAISER

ROOM 102
291-4100

COURTHOUSE
TOPEKA, KANSAS 66603-3960

January 27, 1988

Rep. Ed Rolfs, Chairman
House Assessment and Taxation Committee

Mr. Chairman - Members,

On behalf of Kansas County Appraisers Association I would like to indicate our support for HB 2702. The Association support is qualified as long as its concepts remain voluntary to each County.

The State of Kansas is in the process of spending 65 million dollars on mapping and reappraisal. Any endeavor to change 2 million valuations is bound to create a sizable numbers of appeals.

The concepts outlined in HB 2702 will allow counties to hear appeals by taxpayers who feel unsure of their valuations and hear them in a much more expedient manner.

The use of hearing officers will allow counties to set up numerous officers to hear appeals from taxpayers. The Appraiser will supply information use to set the appraisal, a report or form can be used which can pass from the hearing officer to the County Board of Equalization if that route is chosen by the Appraiser or taxpayer.

The number of appeals after reappraisal indicates a need to find a speedy method of handling the appeal process or the public will become frustrated and angry with a slow, cumbersome appeal process.

Again, I would recommend approval of HB 2702.

Sincerely,

Gary M. Smith ASA, CKA
Shawnee County Appraiser

GMS/jw

Kansas Association of Counties

Serving Kansas Counties

212 S.W. Seventh Street, Topeka, Kansas 66603 Phone (913) 233-2271

January 27, 1988

To: Representative Ed Rolfs, Chairman
Members House Taxation Committee

From: Beverly Bradley, Legislative Coordinator
Kansas Association of Counties

Re: HB 2702

Thank you Mr. Chairman. Good morning ladies and gentlemen. I am Bev Bradley representing the Kansas Association of Counties.

HB 2702 represents many hours of work by a sub committee made up mostly of county officials and some Property Valuation personel. This bill addresses the major road block that will remain after 1/1/89, that of the appeals process. HB 2702 does not represent the exact process many would choose, but it represents cooperation, compromise, and lots of hard work. It is a process we believe will work.

We have all worked to build a strong partnership between state and local units of government to accomplish the reappraisal process. The taxpayers of Kansas have invested a great deal of money in this whole procedure. We believe a continuation of the partnership through the appeals process is appropriate.

The sheer numbers tell us that some county governing boards will chose to appoint hearings panels to assist in the process. This is spreading the work load. Many governing boards have indicated they will chose not to use them. We believe the process should be available to those who need it.

We believe the Board of Equalization should be the final local step if the appeal goes that far. The review by Property Valuation Division of any change made should remove the fear of the "good old boy" concept. We have heard concerns that the board of Equalization will not be mandated to receive the education. I promise you commissioners will go to the training schools voluntarily.

The time line outlined in this bill is tight, but when another layer of appeals in permitted the time is somewhat shortened. If you look carefully you observe that more than one process can be occurring simultaneously. It will be imparative that the statements are sent in a timely fashion. Then the process can begin.

The legislative policy of Kansas Association of Counties says two things about the appeals process -

Advisory Hearing Panels - We support legislation to allow Boards of Commissioners to appoint advisory hearing panels to assist in the appeals process after reappraisal.

County Board of Equalization - We support the continued role of the county governing board as a board of equalization.

Kansas Association of Counties supports HB 2702.

January 27, 1988

To: Ed Rolfs, Chairman, and
Members of the Committee on Taxation

From: Mildred J. Baughman
Member, Board of Reno County Commissioners

Re: HB 2702

I have come today to speak on behalf of and in support of HB 2702. I have served on the Reappraisal Advisory Committee since its beginning, and recently served on the sub committee of that group to study the Board of Equalization process.

It has been estimated that there may be as many as 10% of the property owners in the state appealing their appraisal when the new assessed valuations notices go out early in 1989.

It is obvious that the sheer numbers will be overwhelming in some counties. The present process, with the time frames set by law, will not accommodate the larger numbers of appeals expected in some counties. (In my county which has about 40,000 parcels, the appeals could number as many as 4,000.)

A distinct effort was made to make as few changes as possible and to maintain the integrity of the process. At the same time these amendments would provide local alternatives, and allow the informal hearings with the appraiser, the hearing panels, and the Board of Equalization hearings to be taking place in overlapping time frames instead of the present succeeding time frames.

It is hoped, by adding the two steps to the appeals process, that appeals beyond the local Boards of Equalization would be fewer in number.

I was a member of the County Commission in 1969 during the lost reappraisal hearings. We had 539 Board of Equalization Appeals, which amounted to less than 2% of the total. We held hearings in the evenings and on Saturdays to be able to hear them.

Some relief must be given to the Boards of Equalization, and we recommend the amendments allowed in HB 2702.

Thank you for your attention.