

Approved Feb. 5, 1988
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT & TAXATION

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

11:00 a.m./~~p.m.~~ on February 4, 1988 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:

Terry Hamblin - PVD	Marian Johnson - McPherson Co.
Ed Liggins - Nat'l Assoc. of Indep. Fee Appr.	Joe Kron - KDOT
Jack Headley - Indep. Fee Appr.	Tom Groneman - Wyandotte Co.
Larry Clark - Wyandotte County	Karen McClain-Ks. Assoc. Realtors
Leroy Leland - Harper Co. Appr.	Bob Anderson - Mid Cont. Oil & Gas
Mark Hixon - Barton Co. Appr.	Jim Turner - Ks. League of Sav. Inst
Stanley Parsons - Manhattan Appr.	Roy Worthington
Gary Smith - Shawnee Co. Appraiser	Janet Stubbs, Home Builders Assoc
	Jim Maag, Kansas Bankers Assoc.

SENATE BILL 450

Chairman Kerr called the meeting to order and announced the agenda for the day to be a hearing on S.B. 450.

Terry Hamblin testified in favor of S.B. 450. (Att. 1) He stated that because of current disclosure restrictions on Certificate of Value (COV) information, appraisers are required to independently verify data relating to all real property transactions before they can be used as part of their comparable sales analysis. Sales verification is also a required element of the State's annual Real Estate Assessment/Sales Ratio Study which is used to monitor the assessment levels in the counties. He stated that with the certificate value being an open record, taxpayers would have direct access to comparable sales information and be more readily able to confirm or challenge the validity of values being placed on their property.

Ed Liggins testified in favor of S.B. 450. He stated that although his organization respected the privacy of individuals, it is very important to make information public that would enable sales data and information to be as accurate as possible.

Jack Headley didn't testify but provided written testimony. (Att. 2)

Larry Clark testified in favor of S.B. 450. (Att. 3) He stated that current law, which prohibits county appraisal staff from disclosing any information obtained from certificates of value is "inconvenient" at best. He said that by modifying the COV to include sufficient information to verify the market character of a sale and opening that certificate to public use we can save thousands of property tax dollars. He felt the extra effort now required to gather information threatens the adequacy of that information.

Leroy T. Leland provided written testimony only. (Att. 4)

Mark Hixon testified in favor of S.B. 450. (Att. 5) He stated that he felt the information gained if this bill were enacted is too valuable to be sacrificed because of one or two items which are objectionable to a few special interest groups.

Stanley Parsons testified in favor of S.B. 450. (Att. 6) He stated that he did a volume of bankruptcy appraisals, and a lot of his time is spent gathering data for which his clients have a hard time understanding why he has to charge as much as he does. He felt he could give much more accurate appraisals if information he needed was made public.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT & TAXATION,
room 519-S, Statehouse, at 11:00 a.m./~~p.m.~~ on February 4, 1988

Gary Smith, provided written testimony. (Att. 7)

Marian Johnson provided written testimony. (Att. 8)

Joe Kron provided written testimony. (Att. 9)

Tom Groneman testified in opposition to S.B. 450. (Att. 10)

He went through his written testimony and outlined every area in which his association had problems. (Listed on Att. 10) He stated that he realized the time and money that the state and counties have spent on reappraisal. He felt if reappraisal is to be successful that the county appraisers are going to need additional information and the logical time and place to collect that information is when the deed is recorded. He stated that one of the major concerns the association has was regarding the oil and gas industry. The oil and gas industry would have great difficulty obtaining some of the information that would be requested since much of their data comes from out of state. This process would greatly delay transactions. He stated that they are willing to work with the appraisers, realtors, abstractors and anyone else to come up with a reasonable bill which would allow for the collection and dissemination of information necessary for reappraisal to work. In response to a question, Mr. Groneman stated that he felt the bill was needed, but would like to see changes.

Karen McClain testified in opposition to S.B. 450. (Att. 11 & 12)

She stated that the basic recognition of privacy rights is what brought the association to a position of opposition. She asked why the appraiser or PVD or the BOTA use independent verification of sales information to show to the taxpayer in the event of an appeal? This wouldn't violate current law and would make the information about how a "market value" was arrived at available to the appealing taxpayers. She said that tax assessments of all properties is already public information. Thus, the independent verifications and the tax assessment records are two alternative ways for taxpayers to access the market value determinations. She also stated that there is objection to the new "longer" forms that would have to be used. Because of the required added information, it would cause delay in recording and delay in passage of the title. She said that if the committee plans to pass the bill, they would offer amendment to amend the bill to provide that only taxpayers who have filed appeal proceedings as a taxpayer as to the assessment and valuation of their property, may have access to the Certificates of Value.

Bob Anderson testified, stating that he opposed the bill because of the "oil lease" issue. He urged an amendment to take care of this issue.

Jim Turner testified, in opposition (Att. 13) stating that his organization especially objects to the "borrower-lender" aspect of the bill. He asked that Section 3, sub-sections (l), (m), & (n) be deleted from the bill. (lines 92 through 101)

Roy Worthington testified in opposition. He stated that his major concern is the additional information being requested on the COV. He questioned who would be responsible for collecting all the information.

Janet Stubbs provided written testimony. (Att. 14)

She requested that the words "if any" be added on line 74.

Jim Maaq provided written testimony. (Att. 15)

Senator Karr made a motion to accept the minutes of Feb. 2 & 3 meetings. Senator Montgomery seconded. Motion carried.
Meeting adjourned.

ASSESSMENT AND TAXATION

OBSERVERS
(PLEASE PRINT)

DATE 2/4/88

NAME

ADDRESS

REPRESENTING

DATE	NAME	ADDRESS	REPRESENTING
	Dana Fenell	Topeka	Budget
	R. Stanley Parsons	Manhattan	Parsons Real Estate
	Ella C. Parsons	Manhattan	Parsons Real Estate
	H. Duncan	Topeka	PUD
	G. Domenico	Topeka	PUD
	Joseph Krahn	"	KDOT
	Wm M. Durrell	"	KDOT
	Edward L. Higgins	Leavenworth	N.A.I.F.A.
	Mikie Nickel	Topeka	NAIFA
	Tera Cameron	Leavenworth	NAIFA
	Jack Meadey	St. Bend	NAIFA
	Proy WORTHINGTON	Manhattan	KLTA
	JE A. Morris	Topeka	KLSI
	Geordy Goodell	Topeka	KLSI
	John W. Dyer	Topeka	KLTA
	W.L. Mitchell	Hutchinson	KLTA
	Opri Junda	Topeka	KLSI
	Dean Kreitzer	Topeka	PVD
	King Carl	town city	Wayne Co. Kapp.
	Marion L. Johnson	McPherson	McPherson County
	Walt Jison	St. Bend	KCAA Kansas County Appraisers
	John V. Toland	Anthony	KCAA Kansas County Appraisers
	Shelby Smith	Wichita	LAWSON
	Bill Waters	Topeka	PVD
	Heidi DeVore	Topeka	PVD
	RON CALBERT	NEWTON	U.J.U.
	Tom Lane	Carbondale	RE/MAX R.E.
	Staraply. Gilchrist	Topeka	RE/MAX R.E.
	Ed Matyjas	Topeka	RE/MAX Realtors



KANSAS DEPARTMENT OF REVENUE
Division of Property Valuation
State Office Building • Topeka, Kansas 66612-1585

SENATE ASSESSMENT & TAXATION COMMITTEE
February 4, 1988

Terry D. Hamblin, Property Valuation Director

Why the Certificate of Value Should Be an Open Record

The county appraiser is charged with developing a fair market value for all properties taking into account all three approaches to value: cost, income & market.

The market approach often provides the best estimate of value assuming that the appraiser has made accurate adjustments for the differences between the subject property and the comparable property. To ensure the accuracy of the appraiser's adjustments, as much information as possible must be collected about the sale.

Because of current disclosure restrictions on Certificate of Value (COV) information, appraisers are required to independently verify data relating to all real property transactions before they can be used as part of their comparable sales analysis. Sales verification is also a required element of the State's annual Real Estate Assessment/Sales Ratio Study which is used to monitor the assessment levels in the various counties.

The cost of the verification process, to both the county and state, is ultimately borne by the taxpayer. Estimates are that approximately \$5.67 per parcel would be saved if the COV were made public. Statewide, the savings would exceed \$476,000 annually.

The most commonly espoused argument against the COV being an open record is: "Whose business is it but mine what I paid for my property?" The answer is simple: it is the taxpayer's business, all taxpayers. Aside from being the provider of sales data, the taxpayer is also a user and beneficiary of the information.

For example, if a taxpayer feels the value estimate of his property is incorrect, there are presently three options by which the sales data necessary to argue his case may be obtained:

- 1) Canvass the neighborhood asking for sales data.

This is impractical, time consuming, and typically results in less than satisfactory or defensible documentation.

- 2) Contact a local realtor and request a comparable sales report.

Realtors have access to multiple listing services and generally make this information available for a fee.

3) Pay for an appraisal of the property.

The cost of this option is often out of reach of the average taxpayer, and the cost is incurred regardless of the outcome of the hearing.

Each of these options results in a significant cost in time or money to the taxpayer. Of the approximately 1.42 million properties reappraised statewide, about 10%, or 140,000, can be expected to appeal informally to the appraiser. One half, or 70,000, will likely go on to a formal appeal. If each taxpayer spent \$100, which is a conservative estimate, to obtain comparable sales verification for each formal appeal, approximately \$7 million in costs to the taxpaying public could be saved statewide by passage of this legislation.

With the certificate of value being an open record, taxpayers would have direct access to comparable sales information and be more readily able to confirm or effectively challenge the validity of values placed on their property. Under existing law, taxpayers are often discouraged from exercising their rights of appeal due to the obstacles and costs involved in challenging property values. Without free and direct access to information necessary to properly document an appeal, the legally guaranteed right to appeal property valuations is denied to the public, resulting in a substantial perception of systematic unfairness by the public.

If property owners are given free access to comparable sales information which is the basis of their appraised value, many will be less likely to file appeals, thus saving precious time and money at both the county and state levels.

Since accurate appraisals and assessment levels provide the basis for equitable distribution of the property tax burden as well as the disbursement of millions of dollars of public funds, it is the public's **right and responsibility** to closely scrutinize individual assessments and monitor uniformity of assessment levels throughout the state.

The proposal to make COV's open records is neither new nor revolutionary. Approximately 38 states now have some form of public sales price disclosure. Most of these states took the opportunity to require public reporting of real estate transfer information when the federal stamp tax was repealed in the mid-1960's.

More Complete Information To Be Contained in the COV.

Currently, only the sales price of the property is required on the COV. This alone is not sufficient to determine market value. In order to make accurate adjustments, the appraiser must have as much information as possible about the sale. The model legisla-

tion, as prepared by the State and local tax committee of the American Bar Association Section of Taxation in cooperation with International Association of Assessing Officers, requires the reporting of some information that is not necessary for Kansas appraisers. Please note in reviewing the "draft" Certificate of Value form attached that we have modified the model legislation to delete several unnecessary requirements and would be willing to entertain proposals to further modify the list of requirements in such areas as signature requirements and what types of conveyances will require COV's.

One area which must remain unchanged, however, is the terms of financing. Current legislation, K.S.A. 79-503a (i) requires that the appraiser consider "sale value on open market with due allowance to abnormal inflationary factors influencing such values." Such terms clearly influence the final dollar amount a property may sell for. Properties having assumable loans at below market interest rates often command higher prices, particularly in times of inflationary interest rates. VA and FHA financing often results in higher sales prices because of the points charged to the seller. Adjustments for owner financing are often required. The seller/lender may accept a low sale price in exchange for a high rate of interest or a low rate of interest in exchange for a high sale price. The transfer may include items of personal property (furniture, store fixtures, farm equipment, etc.) which may directly influence the sale price. Without knowledge of the financing arrangements, an appraiser is not in a position to make appropriate adjustments to the sale price to reflect fair market value in cash.

The most efficient and cost effective method of securing this information is at the time of title transfer, when the information is accurate and available. Attempting to collect this data at a later date through questionnaire, etc. results in a lower response rate and a significant loss of accuracy. Accuracy is ensured by the penalty imposed for failure to record accurate information.

The purpose of this legislation as described by the American Bar Association is to "provide simple, timely, and cost-effective collection of essential data concerning real property transfers that can be used to administer the real property transfer law and ad valorem tax programs of local government."

This legislation has been designed to provide invaluable information first to the local appraiser as he attempts to assign fair market values to all properties; second to the state as an effective way to conduct an assessment/sales ratio study to monitor county assessment levels; and finally, but most importantly, to the taxpaying public so they may knowledgeable appeal assessments, participate in the real estate market and monitor the distribution of the tax burden and public funds.

It is important to note that all of the information to be included in the COV is now available to everyone who needs it except the taxpaying public. Real estate brokers have ready access to the information. The state and county can obtain the information at considerable expense after extensive verification. The taxpayer is the only person who does not have access to sales data and must pay someone else to obtain it. The passage of legislation to make the Certificate of Value an open record is not a submission to "Big Brother" intrusion. It is simply a practical step toward improved tax administration and more equitable assessing with greater opportunity for the taxpaying public to participate in the ad valorem tax process on a more level playing field.

KANSAS REAL ESTATE TRANSFER INFORMATION

CERTIFICATE OF VALUE

Pursuant to the "Kansas Real Estate Transfer Information Act," no deed or other conveyance document shall be recorded in the office of the register of deeds without an accurate and complete "Certificate of Value" signed by at least one of the grantees, or their attorney or agent. In the absence of agreement between multiple grantees as to the content of this certificate of value, more than one certificate of value, each signed by a grantee, or by an attorney or agent may be filed.

Address of property sold: _____

Brief legal description: _____

SELLER			BUYER			TAXPAYER (if other than Buyer)		
Name			Name			Name		
Street			Street			Street		
City	State	Zip	City	State	Zip	City	State	Zip

Check here and continue on back if more space is required for transfer participant information.

The full price actually paid or to be paid: \$ _____ Date of Sale: _____
 Month Day Year

Transfer Includes:

- Interest in land Interest in improvements affixed to land Interest in both
 Interest in a portion of land Interest in a portion of improvements
 Interest in a portion of both land & improvements

YES NO

- Does this sale involve more than one buyer? If yes, describe ownership interest transferred to each buyer (other than husband and wife): _____
- Is this sale between relatives? Relationship: _____
- Is this sale between related business? Relationship: _____
- Have improvements been added as of January 1 of the current year?
- Have improvements been deleted or removed as of January 1 of the current year?
- Is this a Contract for Deed sale?
- Is the borrower liable for repayment of the loan (if any)?

Interest Rate _____% Fixed Variable Points paid by: Buyer Seller

Type of Loan: VA FHA ARM Fixed Owner Financed Other _____

Amount of Loan \$ _____ Amortization period _____

FOR COUNTY USE ONLY									
CO. NO.		PARCEL IDENTIFICATION NO.		CERTIFICATE OF VALUE NO.		TAX UNIT NO.			
DATE DEED RECORDED		DATE OF DEED EXECUTION		DATE OF BENEFICIAL OWNERSHIP		FULL PRICE PAID		APPRAISED VALUE	
SUB CLASS		CURRENT APPRAISED VALUE			SALE PRICE			RATIO	
Residential									
Agricultural									
Farm									
Vacant Lots									
Other									
Utility									
Exempt									

APPRAISAL SERVICES, INC.
HEADLEY APPRAISAL SERVICES
1103 Main Street
P.O. Drawer K.
Great Bend, Kansas 67530



SENIOR APPRAISER
Jack F. Headley, IFA, CREA
APPRAISER
Roger A. Schwager

PROFESSIONAL APPRAISAL COMPANIES
316-792-2116

February 02, 1988

RE: Senate Bill #450

To Whom It May Concern,

This letter is to intended to express an opinion as to the merit of the above mentioned bill. As a Kansas Realtor and Appraiser, I am in favor of this legislation.

To provide an accurate source of sales and other pertinent information when real property is transferred is a vital point of interest. Below listed, in no particular order, are a few of the benefits of this Bill as I see it.

- 1) Provide accurate information on the sale or transfer of property.
- 2) Eliminate the guesswork or heresay information sometimes involved in the terms of the sale, i.e. discount points paid, sellers concessions, closing costs paid, and other concessions made that affect the sales price of the property.
- 3) Keep records available for two years
- 4) By making accurate information available to appraisers, this will increase the quality and accuracy of appraisals completed for financial institutions, thus protecting the interests of both the grantee and the mortgagee.

A & T 2/4/88

5) Provide access to these records via the County Appraiser's Office.

8) By releasing this information, it will help the individual buyer to ascertain some idea of value, so as not to overpay for a property - - especially on a cash sale.

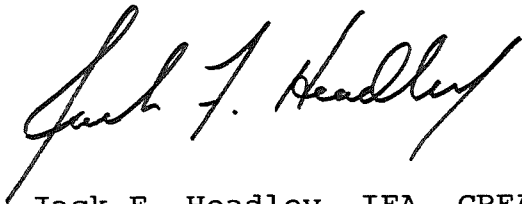
7) Reduce the amount of time and effort needed to research sales information to accurately appraise property, thus reducing the costs incurred when transferring property.

Accurate sales information is crucial to protect all parties involved. The data currently used in determining an estimate of Market Value of real property is assumed to be factual, with no means of verification. This proposal would document the needed information in such a way as to provide an appraiser with a source of accurate data.

Lastly, there have been comments that the sales price and terms be put in the newspaper when a property is sold. While this is going a bit far, it should not adversely affect the marketplace. Other states have done this and after a time, the average person no longer pays any attention to it.

Thank you for reading this and considering my opinion when rendering your decision.

Sincerely,

A handwritten signature in cursive script that reads "Jack F. Headley". The signature is written in dark ink and is positioned above the typed name.

Jack F. Headley, IFA, CREA

JFH/rs

Testimony on Senate Bill 450

Delivered by Larry Clark, Director of Reappraisal

Wyandotte County

The most reliable, defensible approach to valuation of single family, residential property is the comparative sales approach. The best source of information for use in that approach are the buyers and sellers of such property. The best time to retrieve that information is immediately after the sale.

Current law prohibits county appraisal staff from disclosing any information obtained from certificates of value. This creates a situation where we can arguably use the information to develop computer assisted market models and use those models to value property during the reappraisal and afterward. On the other hand, we will have to limit access to computer records to appraisal staff in order to avoid disclosing sale information. That means when thousands of taxpayers call appraisal offices in January of 1989 to question their appraisal we will be unable to show them any market evidence to support our value conclusion if any part of it was taken from certificates of value.

The alternative we have chosen in Wyandotte County, and in fact what is being done statewide, is to spend over six dollars per sale to independently verify information we already have in hand. We expend tax dollars to intrude into taxpayers' lives with yet another form days or even weeks after the actual sale has occurred. After that expenditure of extra time and tax dollars our return rate on those forms is still only 40%. In other words, for the privilege of using 1500 sales this year we will expend in excess of \$10,000 and examine 3700 sales. The county's investment in CAMA modeling software is

depreciated by the value of those lost sales; county tax dollars are devalued by the amount of the added expense in chasing them, and the full value of the entire appraisal process is not realized.

By modifying the certificate of value to include sufficient information to verify the market character of a sale and opening that certificate to public use we can save thousands of property tax dollars, avoid additional intrusion into taxpayers' lives and fully utilize the appraisal tools and expertise available to the county. All I am interested in is the ability to display a sales price on a computer record, utilize it in market modeling and finally, to show a taxpayer the best evidence to support the market value estimate for his or her property, without having to go through needless extra steps and expense.

To those persons who fear making public information surrounding sales transactions I would respond that counties have only one purpose in seeking that information - the accurate appraisal of property. Counties have no desire to duplicate the efforts of real estate groups in publishing sales information. While it would become available for public inspection that does not translate into immediate, broad publication any more than any of the other thousands of documents produced and maintained by units of local government.

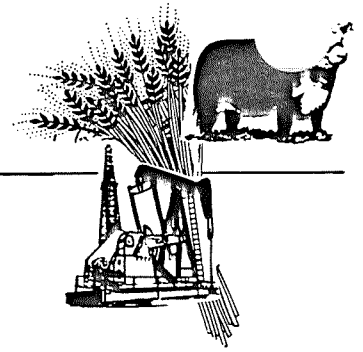
In conclusion, the maintenance of equitable property tax rolls is dependent upon the county appraisal offices of this state having access to adequate amounts of information on property sales. The extra effort required under the current law to gather that information threatens the adequacy of that information base. The added expenditure of local property tax funds that effort requires may weaken the resolve or ability of counties to maintain the equity achieved through the current

ppraisal project.

OFFICE OF HARPER COUNTY APPRAISER

Telephone (316) 842-3718 / Courthouse / Anthony, Kansas 67003

3 February 1988



Assessment and Taxation Committee
Honorable Senator Fred Kerr, Chairman
State Capitol Building
Topeka, Ks. 66612

Dear Mr. Chairman and Committee Members:

I am LeRoy T. Leland, Harper County Appraiser and Legislative Chairman of Kansas County Appraiser's Association for 1988.

SB. 450 Certificate of Value - Sales Information Ratio Study.

Kansas County Appraiser's have supported the need for a more complete certificate of value for several years. Full disclosure of sales information is needed to do a complete, quality appraisal. Information on this form is necessary to maintain a quality appraisal program. Most, if not all information is obtainable, but why make it into a research type program and increase the cost and labor requirements when it could be obtained in one document at the time of filing!

1/ The taxpayer is the only group which will not have a method to help determine if the appraisals are correct. The appraiser will use sales to arrive at a value but will not be able to show the taxpayer the sales they use.

2/ SB. 450 does not require any extra time or work for Realtors, Register of Deeds, and etc.

3/ Thirty-five plus States have open sales information.

This is a very informational document that will provide for time and staff savings. It will help to show that valuations are in line within the system, if used properly.

Thank you for allowing us to appear before the Committee, concerning SB. 450.

Respectively submitted,

KCAA Legislative Committee

A large, cursive handwritten signature in black ink, which reads "LeRoy T. Leland".

LeRoy T. Leland, Chairman

LTL/cp

A & T 2/4/88

Att. 4

Barnton County Appraiser's Office

February 4, 1988

J. Mark Hixon, C.K.A.
County Appraiser

President Kansas County Appraisers Association

TO: Senate Assessment and Taxation Committee
RE: S.B. No. 450

There is a great deal of controversy surrounding the Kansas real estate transfer act. Most of the objections concern the invasion of privacy that would result from making sales data available to the public. If that is the fear then my advice is to continue to keep the information a secret from the taxpayers.

The information which would be obtained if this bill is passed is too valuable to be sacrificed because of one or two items which are objectionable to a few special interest groups. The information which would be obtained is the very same information which is now being sought by every county appraiser in the state. The reason why this information is so vital is that Kansas is conducting a reappraisal of all real estate. This reappraisal requires all real property to be appraised at market value. The comparative sales approach is the most reliable means of estimating market value if one has access to adequate reliable sales data.

Kansas law is very specific in the definition of market value. There are many conditions which must be met in order for a sale to qualify as a market value transaction. The information provided by the proposed certificate of value would give the appraiser the ability to determine whether or not the sale price represents the market value of the property.

Right now we are seeking the same information that would be provided by the proposed certificate of value. The time and effort involved costs many tax dollars, but we have no choice in the matter and will continue to do our jobs until a better more efficient system comes along.

Given the aforementioned facts, I hope the committee sees the need for the information contained in S.B. 450. One can easily see that the release of such information to the taxpaying public could result in a much better informed public in regard to real property values. I cannot see the danger in that. However, if the release of such information is an invasion of privacy, then there should be a law against Realtors publishing sales prices in multi-list reports.

Information is power and it is clear to see that the Kansas Association of Realtors is not as interested in preserving the right to privacy as it is in continuing to control the access to sales data. Realtors have the information. County appraisers have the information. The taxpaying public needs the information. Why shouldn't they have it.

Respectfully,


J. Mark Hixon, CKA

A & T 2/4/88

Att. 5

PARSONS REAL ESTATE

Phone 913/776-8439

861 Zeandale Road, Manhattan, Kansas 66502

Senate Assessment and Taxation Committee Hearing for Senate Bill 450

My name is R. Stanley Parsons, I wish to state that I am a real estate broker from Manhattan, Kansas.

I favor Senate Bill 450 for the following reasons:

Accurate and readily available sales information enables a real estate agent to do a better job for his client, whether it is listing real estate for sale or if an appraisal of value is made for a farmers bankruptcy hearing or other purposes. Decisions based on inadequate information often have unfortunate consequences.

Farm appraisals for bankruptcy hearings make up a considerable part of the appraisal work I do. The fee I charge for an appraisal is based on the hours it takes to complete. Probably one-third of my time on an appraisal is spent finding comparable sales and verifying them. Since there are relatively few experienced appraisers that are willing to testify in court, many of the appraisals I do are in areas outside of my normal real estate sales activities. It is difficult to maintain an accurate up to date sales roster covering even a few counties. It is almost impossible to maintain one over several counties. The time spent in finding and verifying sales for an appraisal can cost a client several hundred dollars. Opening the records would result in a direct saving to the client as well as increasing the accuracy of the appraisal.

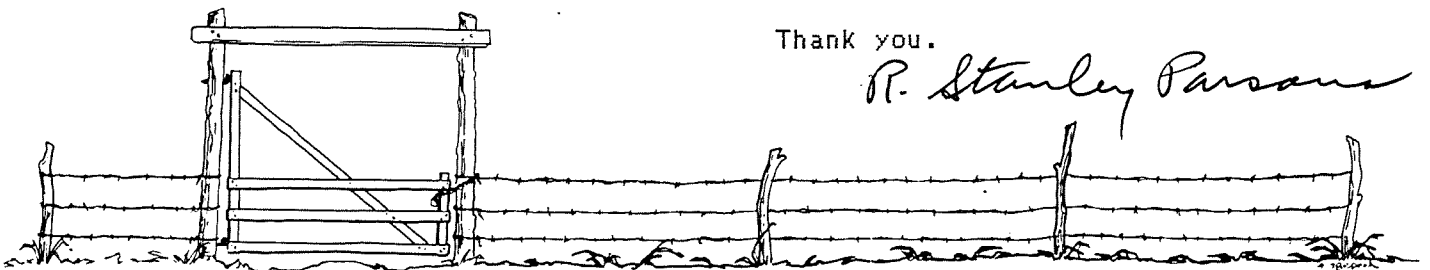
Financial institutions such as banks, Farmers Home Administration and Federal Land Bank by their very nature have access to data concerning most farm sales. This information is not readily available to others. If accurate sales data was readily available to me in each county it would enable me to do a better job for my clients at a considerable savings in money to them.

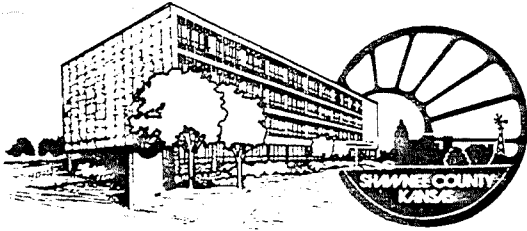
While I favor opening the records to everyone, if it is felt this is not feasible, I strongly urge that access to these records be granted to licensed real estate agents. I feel the public would benefit from making this information available to real estate agents. Real Estate agents receive a great deal of criticism concerning their pricing and appraising of real estate. Please give them this tool to help make their work more accurately reflect current market conditions.

My experience in real estate include seventeen years as manager of the Federal Land Bank Association of Manhattan and since 1978 the operation of my own real estate sales and appraisal service.

Thank you.

R. Stanley Parsons





Shawnee County
Office of County Appraiser

GARY M. SMITH ASA, CKA
APPRAISER

ROOM 102
291-4100

COURTHOUSE
TOPEKA, KANSAS 66603-3960

FRED KERR CHAIRMAN

SENATE ASSESSMENT AND TAX COMMITTEE

February 3, 1987

Senator Kerr and Honorable Members,

I would like to thank the committee for the time to bring to your attention a very important concept contained in Senate Bill 450.

While the Bill will generate some objections on specific parts, the overall concept of open public sales information is very important to the citizens of Kansas.

Some of the information I have been able to assemble indicates that 35 to 38 states have real estate sales as public information. I have personally corresponded with Nebraska, Oklahoma and Colorado. All these states have a revenue stamp system open to public inspection.

The subject of real estate sales being open to the public always raises the question of privacy and I, as do many Kansans, feel individual privacy should be protected. However, in the case of real estate sales information the term controlled would fit more appropriately. Controlled by the realtors of Kansas who have the information and print the information quarterly for its members. I would suggest with the number of persons who obtain this information would indicate the information is no longer confidential.

The taxpayers of Kansas are to receive their notification of new appraised values early in 1989. When they request the information as to how we arrived at their value we will be able to show them our cost calculations and the comparison of similar houses we use which have sold. However, when they ask the amount of the sales the appraiser must tell the taxpayer, trust us, these are the correct answers.

The citizens of Kansas are paying 65 million dollars for the reappraisal and in the end will be instructed by the appraisers, we are from Topeka - trust us.

A & T 2/4/88

Att. 7

I would encourage the members of this committee, and the legislature of Kansas to indicate their concern for the citizens who have a right to know how the bill for their taxes is calculated by passing the concept of openness of real estate sales.

I have attached other comments which may be addressed during these hearings.

Sincerely,

Gary M. Smith
Gary M Smith CKA ASA
Shawnee County Appraiser

GMS/sc

1. Senate Bill 450 does not require additional work by any group. The certification is filed with the Register of Deeds at the time of filing the deed. There should be no slow down in the filing time.
2. The cost of verifying sales information at present includes manpower, postage and supplies. This is happening in every county in the state.
3. The parcel identification number indicated under letter (a) line 70 would be difficult for abstractors or brokers to obtain, while it would be helpful to have the P.I.N. flow through the system. This item could be placed on the document after recording in the Register of Deeds office.

The Wichita Eagle
Established 1872

The Wichita
Eagle-Beacon

The Wichita Beacon
Established 1872

REID ASHE
Publisher

DAVIS MERRITT, Jr.
Executive Editor

KEITH MURRAY
General Manager

WILLIAM R. HANDY
Managing Editor

GEORGE NEAVOLL
Editorial Page Editor

Editorials

Fair assessment

Make property prices public

PROPERTY taxes in Kansas are based on the market value of real estate. Officials set the market value of a home, building or acreage partly on the selling price of comparable houses, structures or parcels of land. So, knowledge of real estate sales is crucial if a property owner is to be sure that the government is taxing him fairly.

Moreover, considering that a home is the largest purchase most people make, disclosing prices to the public would be important consumer information.

The problem is that Kansas forbids public release of real estate transactions. The information is available to real estate agents and fee appraisers, but not to the average citizen. That means most Kansans can't find out what houses in their neighborhood are being sold for — sales that affect property taxes — without paying a special fee to a real estate agent or appraiser.

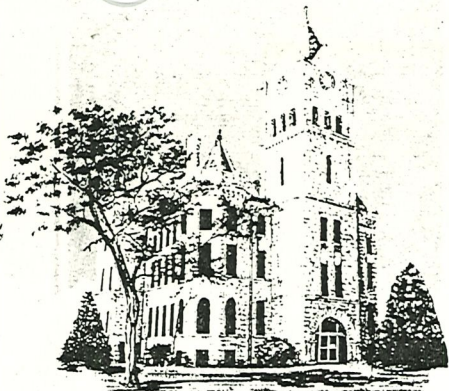
The solution is public release of real estate sales figures. Unfortunately, the Kansas Association of Realtors doesn't think the average person should have sales information and is fighting legislation to make property

sale prices part of the public record.

The Realtors say such information is a matter of personal privacy. That argument is a bit suspect, however, because the Realtors have access to the records and sell them for a fee. Fortunately, some Realtors, such as Rep. Debara Schauf, R-Mulvane, disagree with the association.

As Ms. Schauf notes, the current reappraisal of real estate in Kansas makes it vital that the Legislature allow full disclosure of property sale prices. The reappraisal is certain to make dramatic changes in some people's property taxes. To appeal the new assessments, property owners need the facts about market values. They shouldn't have to pay a real estate agent or a fee appraiser for that information. It should be part of the public record to help property owners know whether their tax assessments were calculated properly.

The principle behind the state real estate reappraisal is to equalize the tax burden — that people owning property of similar value pay similar tax bills. Public disclosure of property sales would increase public confidence that the reappraisal was fair and that taxes are equitable.



McPHERSON COUNTY

TESTIMONY BEFORE THE SENATE ASSESSMENT AND TAXATION COMMITTEE

BY
MARION R. JOHNSON, CKA
McPHERSON COUNTY APPRAISER
FEBRUARY 4, 1988

Chairman Kerr and members of the committee, I would like to take this opportunity to express my support of SB 450, concerning certificates of value. As a county appraiser in Kansas, it would be very beneficial to the operation of my office to have the certificate of value made a public record.

At the present time McPherson County spends approximately 30 hours per month or 360 hours per year verifying sales at an approximate cost of \$5,000.00 per year. This cost includes salaries, postage, stationery, phone calls, etc. For larger counties the time and money spent would be considerably more.

More important, however, is the fact that if certificates of value were available to the county appraisers to use, they would become a very valuable tool in helping to insure that the values arrived at through the reappraisal process, now underway across the state, are maintained and updated annually in a fair and equitable manner. It would also help to insure that the money that the state and counties are now spending on the reappraisal project would not be wasted. At the same time the availability of the certificates of value would help to reduce the cost of annual maintenance of the value.

A & T 2/4/88

Att. 8

Also, by making certificates of value open to the public, it would allow Kansas taxpayers the opportunity and the means to determine whether their property is assessed fairly. If we have a system that does not provide the taxpayer access to all the information that they need to determine if their assessment is fair and equitable, then we have wasted both our time and money on reappraisal.

Thank you for your time and consideration on this matter.

Kansas Department of Transportation

February 4, 1988

MEMORANDUM TO: THE SENATE ASSESSMENT & TAXATION COMMITTEE

FROM: THE KANSAS DEPARTMENT OF TRANSPORTATION

RE: SENATE BILL NO. 450
KANSAS REAL ESTATE TRANSFER INFORMATION ACT

Enactment of the above-referenced legislative proposal would enable KDOT appraisers to obtain information from the certificates of value on file with county clerks.

The data on the certificate of value is not available under existing K.S.A. 58-2223b. This statute is repealed by Senate Bill No. 450, and the proposal clearly designates the certificates of value to be public documents.

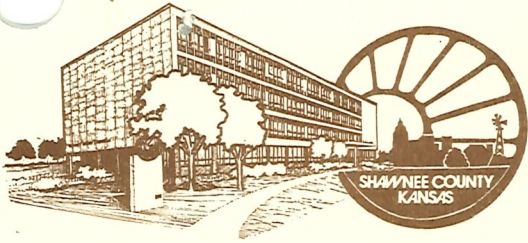
Access to the information on the certificate of value will enable KDOT appraisers to obtain sales data needed for the appraisal process in a more expeditious manner. For example, KDOT recently assisted the Department of Commerce in compiling a comparable sales data book in connection with the state's efforts to obtain the Superconducting Super Collider for Kansas. Three KDOT staff appraisers spent two weeks collecting sales information for the data book. If the information on the certificate of value were available to us at that time, one appraiser could have accomplished the task in less than a week.

There is one problem with the bill as presently written. K.S.A. 58-2223 (c) is repealed by S.B. No. 450. This statute contains exceptions to the requirement to file a certificate of value. Transfers to the State of Kansas are specifically exempt in subsection (2).

When property is purchased for highway purposes, the deeds are recorded as soon as possible to assure priority over any potential subsequent conveyance. These deeds use the standard "one dollar and other valuable considerations" language. If the Kansas Department of Transportation and other state agencies are required to file certificates of value, negotiations with other landowners could be impaired. We request that the committee consider amending S.B. No. 450 to include the language contained in item (2) of K.S.A. 58-2223 (c).

The Kansas Department of Transportation supports enactment of S.B. No. 450 with the above requested amendment.

A & T 2/4/88
AH. 9



**Shawnee County
Office of County Clerk
PATSY A. "PAT" McDONALD**

295-4155 Main
295-4159 Accounting

Courthouse - Room 107
Topeka, Kansas 66603-3963

February 4, 1988

Senator Fred Kerr, Chairman
Assessment & Taxation Committee
and Committee Members

I am Patsy McDonald, Shawnee County Clerk. I support the concept of Senate Bill #450, but I cannot support every subsection - specifically line 0070 -- Subsection "a". I believe this is a County function.

Also Section 4, Subsection "d", Line 0126. I do not believe that public officials should be exposed to this liability.

Regarding Section 3, Subsection "m", Line 0096, I would prefer this information be available for appraisers, but confidential to the general public.

As far as the County Clerk receiving and recording the information, this is what we are doing now and we have no problem with this at all.

Thank you for your time.

A & T

2/4/88
Att. 10



Executive Offices:
3644 S. W. Burlingame Road
Topeka, Kansas 66611
Telephone 913/267-3610

TO: THE SENATE ASSESSMENT AND TAXATION COMMITTEE
FROM: KAREN MCCLAIN, DIRECTOR, GOVERNMENTAL AFFAIRS
DATE: FEBRUARY 4, 1988
SUBJECT: SB 450, CERTIFICATES OF VALUE

On behalf of the Kansas Association of REALTORS®, I appear today to oppose SB 450.

PRIVACY

First, I would like to give you a little background about our experience with the concept which has been proposed here. Over a year ago we received a letter from the Executive Director of the Wichita Eagle Beacon, Davis Merritt, asking what the Association's reaction would be to a proposal making certificates of value public information.

At that time our members began asking buyers and sellers what they thought of having this piece of information made public. The response we received from both buyers and sellers was that this was nobody's business, that this was a private transaction between two people. They were generally offended by the notion that not only could neighbors go to the courthouse and find out what a person bought or sold a piece of property for, but also that a local newspaper could start publishing that information, for all the world to see.

It is this basic recognition of privacy rights which brought our Association to our position. People in Kansas are very protective about certain things, one of which is the subject about the amount of money which they earn and another is how much they bought or sold a piece of property for. We are here to defend the right to protect the right to keep private information private.

Contrary to allegations made in the Wichita Eagle Beacon, we are not opposing making Certificates of Value public because we want to keep a monopoly on this information, because we "have access to the records and sell them for a fee." We want to clear the record on this issue. First, the statement implies that REALTORS® have access to the Certificates of Value. This is inaccurate. We, like the public in general do not have access to these certificates. This is a matter of state statute.

What we do have is sales information based upon sales data which we collect from our members who belong to the Multi-list Service (MLS) of each individual board of REALTORS®. It is up to the individual REALTOR® whether they will participate. If a REALTOR® does join and a house is sold through the MLS, then each individual MLS collects that information and puts in what is called a "Sold" book. Property owners must contractually agree to have their home listed on the MLS and have the right to decline to have their homes listed on the MLS.

The only information in the "Sold" book is the sales information for houses sold through the MLS. The book does not reflect sales where a non-member sells a home, or where homeowners sell their own homes. There are approximately 5,000 persons with real estate licenses whose sales are not reflected in this "Sold" book.

The book is utilized by our members in assisting homeowners who want to list their homes with a REALTOR®, in order to arrive at what the market value is for that home. In most MLS systems a person must be either an affiliate or a member of the local board of REALTORS® in order to participate in the MLS and to have access to this information. We do not go about selling the book "for a fee".

If we wanted to be self-serving about this issue, we would be testifying as a proponent of this bill rather than an opponent, because it would actually be more beneficial to our members to have access to all sales information, rather than only those which have been sold through the MLS.

Instead, we are here as opponents in order to prevent a further infringement on the rights of privacy for all homeowners across this state.

AVAILABILITY OF INFORMATION

Next, we would like to respond to the allegation that this market value information would not be available to taxpayers in any other form if you do not pass this bill.

At an informational meeting for our Board of Directors, the Director of Reappraisal stated that if Certificates of Value are not made public, in the event a taxpayer protests their tax assessment, neither the county appraiser, nor PVD can use the Certificates of Value in the appeal process in order to verify market value. Therefore, the county appraiser would have to independently verify the sales information in order to use it as evidence. He estimated the cost of this independent verification to be approximately \$5.67 per parcel, thereby increasing the cost of the whole process.

We feel that an independent verification of the sales information which will be used in such an important endeavor as assigning market value to real estate is a very good thing to have, not a burdensome one, despite the cost of \$5.67 per parcel. The chance for unintentional error in filling out these certificates is a very real possibility, particularly in light of the extensive form which is being asked for in this bill. Independent verification would seem to be a wise thing, and perhaps should be required regardless of the outcome of this proposal.

In any event, if an independent verification of sales information is done, we are asking: Why can't the appraiser or PVD or the Board of Tax Appeals use this information to show to the taxpayer in the event of an appeal? This would not violate current law and would make the information about how a "market value" was arrived at, available to the appealing taxpayers.

In addition, we want to point out that tax assessments of all properties is already public information. Anyone can go to the county courthouse at any time under current law to find out what the tax assessment is on any piece of property. If they know the current assessment sales ratio for the county, it would not take much math to figure out what the market value is. After reappraisal is complete, and classification is implemented, the determination of what market value was utilized should be even easier. Accordingly, a taxpayer could utilize this source of information in the event they seek to appeal their tax assessment.

Thus the independent verifications and the tax assessment records are two alternative ways for taxpayers to access this market value determinations.

SPECIFIC OBJECTIONS

We also have specific objections to the contents of the bill. First we would like you to refer to the attachment on the back of my testimony so that you can see what is in the current statute concerning Certificates of Value. You will see what is being stricken by this proposal, since the portions which are stricken have not been shown to you in this bill.

This is the form which is now filed in the Register of Deeds. Now look at the lengthy contents which have been proposed to be added to the Certificates of Value. Because of the volume of information which would be required in this proposal, we point out the the collection of this added information will cause delay in recording, and delay in passage of title. Title companies or lenders often are the parties filling these Certificates of Value out. They don't and can't know all of this information firsthand. The free transfer of property has always been encouraged in the law. Forms such as the one proposed here goes against this basic premise.

First, Section 3 (a) in line 70 requires a parcel identification number be filled out on the Certificates of Value. We ask how anyone is supposed to get that information, and also how a person should determine "whether such number

exactly describes the parcel for which an interest is being transferred or only a portion of the parcel". A requirement such as this could delay the recording of the deed indefinitely, particularly where there has been development or platting since the time of reappraisal.

Second in Section 3 (j), line 89, we question what impact "the ownership interest transferred to each grantee" has on market value. What difference does it make to market value whether someone is a joint tenant, a tenant in common, whether they purchase a remainder or a life interest, etc. What purpose does such a provision have in the Certificates of Value?

Third, Section 3 (m), line 96, the most onerous piece of information requested: "The terms of financing, as follow: interest rate, points, if any type of loan, amount of loan and amortizaiton period, and whether the borrower is personally liable for repayment of the loan;"

We feel that, not only does the inclusion of this piece of information constitute an even further invasion of privacy for property owners in the state if this document is made public, it is also unnecessary and will, in the end, actually distort market value. PVD has indicated to me that this piece of information is needed because they are supposed to be putting the cash equivalents of property on the tax rolls. Thus, they need to know what portion of the sales price reflects adjustments for these financing terms.

In our opinion, any attempt to begin "adjusting" sales prices in order to reflect any subjective judgement about financing terms will only establish a systematic method for skewing market value. Like it or not, financing terms impact the sales price in many many real estate transactions. To the extent either PVD or the CAMA system starts making judgments about these factors, the potential is very real that, but for the financing terms, the sale would not have been consummated.

The definition of market value is generally held to be what a willing buyer and willing seller agree to be the value of property. To take away the financing terms could mean there would not have been a willing buyer, thus eliminating a key ingredient to the market value formula.

Finally, we want to request that if this committee actually finds it necessary to include all of this information in the Certificates of Value, that an actual form be placed in the law to insure against new forms being created by PVD on a frequent basis. Once again, if forms such as this get changed very often the free transfer of property once again becomes bogged down with bureaucratic paperwork.

CONCLUSION:

Finally, we want to say that if this committee deems that the available alternatives which we have laid out above are insufficient to meet the needs of the taxpayers, that as a last resort, we are willing to offer an amendment.

The Kansas Association of REALTORS® is willing to amend the bill to provide that only taxpayers who have filed appeal proceedings as a taxpayer as to the assessment and valuation of their property, may have access to the Certificates of Value . The taxpayer would be required to show a copy of the appeal to the Register of Deeds in order to gain access to the Certificates of Value. Stiff penalties should be provided for anyone who utilizes access to the Certificates of Value for any other purpose or who discloses the information to any other persons unrelated to the appeal.

In addition, we would reiterate that we prefer that the current form of the Certificates of Value be retained.

appeals in the event of proceedings before that board.

History: L. 1967, ch. 310, § 2; L. 1969, ch. 274, § 1; July 1.

Law Review and Bar Journal References:

"1969 Kansas Legislature—A Review of Enactment." Robert F. Bennett, 38 J.B.A.K. 89, 130 (1969).

CASE ANNOTATIONS

1. Appeal from order directing inspection of records held to be moot question. *Sybrant v. Williams*, 206 K. 469, 470, 479 P.2d 814.

58-2223c. Same; inapplicability to certain transfers. The certificate of value required by this act shall not apply to transfers of title:

(1) Recorded prior to the effective date of this act;

(2) to the United States of America, the state of Kansas or any of the instrumentalities, agencies, or political subdivisions thereof;

(3) made solely for the purpose of securing or releasing security for a debt or other obligation;

(4) made for the purpose of confirming, correcting, modifying or supplementing a deed previously recorded, and without additional consideration;

(5) by way of gift;

(6) on sales for delinquent taxes or assessments;

(7) to cemetery lots; or

(8) by leases and transfers of severed mineral interests.

History: L. 1967, ch. 310, § 3; July 1.

58-2223d. Same; form. The certificate of value shall include a statement certifying the address to which tax statements for the property are to be sent. Said certificate shall be in the following form:

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 _____

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

Given this _____ day of _____, 19____
 Signature _____
 (Grantor, grantee or his or her agent)

(Address)

History: L. 1967, ch. 310, § 4; L. 1968, ch. 336, § 1; L. 1969, ch. 274, § 2; L. 1975, ch. 292, § 1; July 1.

58-2223e. Same; penalty for violations. Any person who shall falsify the value of real estate transferred shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not more than one hundred dollars (\$100).

History: L. 1967, ch. 310, § 5; July 1.

58-2224. Recordation of instruments, papers or documents; making of photographic or microphotographed copies deemed recording and record books, when. Wherever the statutes require court records, deeds, patents, plats, charters of corporations, certificates of decrease of capital stock or other instruments, papers, or documents, to be recorded by any city, county or state officer, the making of photographic copies of such instruments, papers or documents, or the making of microphotographed copies shall be deemed recording. Photographic copies may be bound, paged and indexed wherever it is so provided for instruments, papers, or documents, recorded by hand, and such photographic copies when bound together shall be deemed record books. Microphotographed copies shall be placed in conveniently accessible files with provisions made for their preservation, examination and ready use by those persons lawfully entitled to view them and when such conditions are met they shall be deemed record books. This act shall be supplemental to existing statutes.

History: L. 1915, ch. 286, § 1; R.S. 1923, 67-224; L. 1970, ch. 218, § 1; July 1.

Cross References to Related Sections:

Reproduction of records of municipalities on film, see 12-122, 12-124.

Filing and recordation of corporate instruments, see 17-6003.

Recordation and preservation of county records, see 19-250 et seq.

Authentication of copies of records for evidentiary purposes, see 60-465.

Photographic copies to prove content of business and public records, see 60-469.

Reproduction of records on film, see 75-254.

Reproduction of records on film, see 75-254.

Documentary evidence.

CASE

1. Presumption of truth; presumptive instrument Co., 106 K. 35.
 2. Admissibility of conviction of driving pending dissection, 581, 585, 370 P.2d 14.

58-2225.

History: G.S. 1923, 67-225; Re § 4; March 22.

Revisor's Note: New act, see 58-222.

CASE

1. Power of attorney; *Gaylord v. Steen*.
 2. The scope covered considered. *Marshall*.
 3. Power to draw revoked. *Irwin v. Thom*.
 4. Power to mortgage; construed. *My*.
 5. Power to release record. *O'Neill v. Do*.

58-2226.

History: G.S. 1923, 67-226; Re § 4; March 22.

CASE

1. Effect of not recorded; not avoided. *Huseitor* P. 972.

58-2227.

History: G.S. 1923, 67-227; Re § 4; March 22.

Revisor's Note: New act, see 58-222.

58-2228.

Valued and acknowledged mortgages, power instruments of writ; encumbrance of hereditaments situated and acknowledged other state, territory with the or country, or in this state, shall within this state provisions of this act.



REALTOR

Junction City Board of Realtors

"Pick The Right Home Through a Realtor"

JUNCTION CITY, KANSAS 66441

February 3, 1988

Senate Assessment & Taxation Committee

RE: Certificates of Value

The Junction City Board of Realtors wish to express our view regarding the certificates of value becoming a matter of public record.

We understand the need of appraisers to have the most current information available to them in order to obtain a fair market value. We also feel very strongly about the right of privacy for buyers and sellers.

In allowing the private information of the sales price, interest rate and length of loan to be a matter of public record is an infringement of the rights of the individuals involved.

Most towns have a Multiple Listing Service (MLS) that compiles information on sold properties. This information is made available to its MLS members at a nominal fee to cover expenses. This information is distributed with the buyers and sellers approval and is not available to the general public. Our local MLS allows our county appraisers to be members.

Allowing the certificates of value to be available to the public may eliminate the problem of appraisers obtaining more information, but we think consideration must be given to the problems this may create.

We hope you will take our viewpoint under consideration.

Thank you.

Gary Junghans
President,
Junction City Board of Realtors

A & T 2/4/88

Att. 12

KLSI Kansas
League of
Savings
Institutions

JAMES R. TURNER, President • Suite 512 • 700 Kansas Ave. • Topeka, KS 66603 • 913/232-8215

February 4, 1988

TO: SENATE COMMITTEE ON ASSESSMENT AND TAXATION
FROM: JIM TURNER, KANSAS LEAGUE OF SAVINGS INSTITUTIONS
RE: S.B. 450 (CERTIFICATE OF VALUE)

The Kansas League of Savings Institutions appreciates the opportunity to appear before the Senate Committee on Assessment and Taxation in opposition to S.B. 450 which would substantially change the present "Certificate of Value" procedure.

The proposed conveyance document greatly expands the amount of information that must be presented for recording and also represents a significant encroachment upon individual rights, all of which would be made public under the provisions of S.B. 450.

We specifically object to those provisions in the bill that relate to borrow-lender relationships and, absent defeat of the bill, would respectfully request that Section 3, subsections (l)(m)(n), on page three, lines 92 through 101 be deleted from S.B. 450.

James R. Turner
President

JRT:bw

A & T 2/4/88

Att. 13

HOME BUILDERS ASSOCIATION OF KANSAS, INC.

Executive Director
JANET J. STUBBS

OFFICERS

President

M. S. MITCHELL
1215 Forest
Wichita, Kansas 67203
316-265-9812

Vice President

ROBERT HOGUE
4745 S.W. 53rd
Topeka, Kansas 66605
913-273-8123

Treasurer

CHARLES BOSTER
1210 West Crawford
Salina, Kansas 67402
913-827-3618

Secretary

JIM STRAWN
1803 N. Main
Hutchinson, Kansas 67502
316-662-7152

H.B.A. ASSOCIATIONS

Central Kansas

Dodge City
Hutchinson
Manhattan

Montgomery County

Pittsburg
Salina
Topeka
Wichita

PAST PRESIDENTS

Lee Haworth 1965 & 1970
Warren Schmidt 1966
Mel Clingan 1967
Ken Murrow 1968
Roger Harter 1969
Dick Mika 1971-72
Terry Messing 1973-74
Denis C. Stewart 1975-76
Jerry D. Andrews 1977
R. Bradley Taylor 1978
Joel M. Pollack 1979
Richard H. Bassett 1980
John W. McKay 1981
Donald L. Tasker 1982
Frank A. Stuckey 1983
Harold Warner, Jr. 1984
Joe Pashman 1985
Jay Schrock 1986
Richard Hill 1987



Mr. Chairman and Members of the Committee:

My name is Janet Stubbs, Executive Director of the Home Builders Association of Kansas. I am appearing before you today in opposition to SB 450 in its current form.

Although we understand the Department's reason for the request and share the concern about maintaining accurate and current records to avoid the cost of another statewide reappraisal, we have the following concerns and suggestions:

Line 74. We ask that you add the words "if any" at the end of the line. I am told there are times when an address is not available on new property and in some of the rural areas there is only a rural route or P.O. Box #.

Line 84. We assume this is to determine if there are furniture and appliances included in the sale. Will this be done on each mobile home taxed as real property?

Line 89 We oppose requesting this information and believe it is an unnecessary intrusion of the privacy of the individual purchaser.

Lines 96-99. Once again we view this as an unnecessary request and one which could create problems in some real estate transactions.

Line 100. Is the sale price of a property sold to a "relative" or "friend" automatically suspect and to be appraised by the county? If the sale price given is questioned because it appears high or low, it should be verified--without knowing the relationship between the parties involved.

We request the adoption of a standard certificate of value form and included in the statute to avoid this being subject to adoption of rules and regulations of the Department.

We oppose the provision on line 120 requiring this form to be a "public document". We believe this information should be between the parties involved. If the intent is to permit the use of the information

for tax appeals, we would support a provision to provide that access only. We do not believe this should be something which should be subject to publication in the daily newspapers.

It was said this is a "people's bill". We believe people in Kansas prefer to have their business transactions kept private.

I would ask to join in the remarks made by the Kansas Association of Realtors.

Thank you.



The KANSAS BANKERS ASSOCIATION
A Full Service Banking Association

February 4, 1988

TO: Senate Committee on Assessment and Taxation
FROM: James S. Maag, Director of Research
Kansas Bankers Association
RE: SB 450 - Kansas Real Estate Transfer Information Act

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to appear before the committee on the provisions of SB 450. While our Association has no basic disagreement with the need for the state to establish a "cost-effective" system for collecting essential data on real estate transfers, we have serious reservations about public disclosure of some of the information required by this act.

The provisions of subsections (m) and (n) of Section 2 are of particular concern to our industry. We see no reason why an appraiser would need to know the terms of financing or whether there is any family or business relationship between the grantor and the grantee. These are matters which are of concern only to the borrower and lender and should not be part of any public record. The deletion of these two subsections would not adversely impact the collection of essential data as proposed in Section 1 of the bill.

We would respectfully request the committee to consider the problems created by these subsections and recommend their deletion from the bill. We appreciate the opportunity to discuss this important matter with the committee.

A & T

2/4/88

Att. 15