

Approved February 25, 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 24, 1988 in room 519-S of the Capitol.

All members were present except:

Committee staff present:

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

Conferees appearing before the committee:

SENATE BILL 450

Chairman Kerr called the meeting to order and said that S.B. 450 was on the agenda for committee discussion.

Chairman Kerr explained that the bill had generated considerable activity from various entities, each having their own specific interest. He stated that he had a meeting the previous evening with several of the interested groups, and tried to work out language that would be acceptable to all concerned. He stated several areas that he felt needed specific attention.

1. He stated that he felt the bill would not pass if the information in the Certificates of Value, (COV) were public to extent of publication.
2. Chairman Kerr also stated that there was a lot of concern regarding the amount of information being requested (lines 70-100). He said he felt that S.B. 450 still needed to provide information to protesting taxpayers so that they could compare values of property.

Chairman Kerr then proceeded to go through the amendments provided by the Property Valuation Department, explaining each change. (Att. 1) He said the proposed amendments were his suggestions which were developed at the meeting of the interested parties.

There was considerable committee discussion.

Sen. Frey made a motion to add the word "deed" and strike "serving as a source of title", and also strike line 45 of the bill. Senator Hayden seconded. Motion carried. Chairman Kerr stated that line 70 is the beginning of the section regarding information to be gathered. Current law has the actual form in the statute book and several interested parties want the "new" form in the statute book also.

Jim Maag, of the Kansas Bankers Assoc. was present and said that when a loan becomes "classified" the terms of that loan cannot under any circumstances be revealed. If this information is going to be placed on a COV, this would put the banking industry in a very difficult situation.

Sen. Salisbury made a motion to remove the section "m", lines 96 through 99 of the bill. Sen. Allen seconded.

Chairman Kerr stated that he wanted to explain the rest of the amendments to the bill and would like to hold action on Sen. Salisbury's motion until the next meeting. The remaining proposed amendments were explained.

Sen. Montgomery made a motion to adopt the minutes of the Feb. 23rd meeting. Sen. Karr seconded. Motion carried.

Meeting adjourned.

SENATE BILL No. 450

By Special Committee on Assessment and Taxation

Re Proposal No. 7

12-16

0018 AN ACT enacting the Kansas real estate transfer information act;
0019 prescribing duties for the director of property valuation and
0020 county clerks and registers of deeds relating thereto; provid-
0021 ing for crimes and penalties for violations thereof; repealing
0022 K.S.A. 58-2223a, 58-2223b, 58-2223c, 58-2223d and 58-2223e.

0023 *Be it enacted by the Legislature of the State of Kansas:*

0024 Section 1. (a) This act shall be known and may be cited as
0025 the Kansas real estate transfer information act.

0026 (b) The purpose of this act is to provide simple, timely and
0027 cost-effective collection of essential data concerning real estate
0028 transfers that can be used to administer the annual assessment
0029 sales-ratio study and ad valorem property tax laws.

0030 Sec. 2. As used in this act:

0031 (a) "Conveyance" means any transfer of a real property in-
0032 terest for some consideration in money or money's worth;

0033 (b) "conveyance document" means any document, deed,
0034 contract of sale, agreement, ~~judgment, lease, quitclaim~~ serving as
0035 a source of title, or other document presented for recording, that
0036 purports to transfer a real property interest for some considera-
0037 tion in money or money's worth. The term "conveyance docu-
0038 ment" does not include security interest documents such as
0039 mortgages and trust deeds; documents for compulsory transac-
0040 tions as a result of foreclosure, divorce, court order, condemna-
0041 tion or probate; documents involving the partition of land be-
0042 tween tenants in common, joint tenants, or tenants by the
0043 entirety; agreements and other documents for mergers, consoli-
0044 dations, and incorporations involving solely nonlisted stock; or
0045 quitclaim deeds not serving as a source of title;

0046 (c) "certificate of value" means the form, prescribed by the
0047 director of property valuation and provided by the county regis-
0048 ter of deeds, containing the information required to be furnished
0049 under this act;

0050 (d) "real property," "real estate," "land" and "personal
0051 property" shall have the meaning ascribed thereto by K.S.A.
0052 79-102, and amendments thereto;

0053 (e) "real property interest" means any beneficial interest in
0054 real property;

0055 (f) "recording" means any procedure whereby documents
0056 are submitted to and accepted by the county register of deeds;

0057 (g) "grantee" means any person, natural or juridical, who
0058 purports to acquire a real property interest; and

0059 (h) "grantor" means any person, natural or juridical, who
0060 purports to transfer a real property interest.

0061 Sec. 3. At the time a conveyance document is presented for
0062 recording, there shall also be filed a certificate of value signed by
0063 at least one of the grantors, ~~or their attorney or agent, and by at~~
0064 least one of the grantees, or their attorney or agent. In the
0065 absence of agreement between the parties as to the contents of a
0066 joint certificate of value; more than one certificate of value, each
0067 signed by a grantor or grantee, or by an attorney or agent, or by
0068 multiple grantors, grantees, attorneys or agents, may be filed.
0069 Each certificate of value shall state:

0070 ~~(a) The county's state-prescribed parcel-identification~~
0071 ~~number for the property, if any, and whether such number~~
0072 ~~exactly describes the parcel for which an interest is being trans-~~
0073 ~~ferred or only a portion of the parcel;~~

0074 ~~(a)(b)~~ the address of the property;

0075 ~~(b)(c)~~ the date of the conveyance document's execution;

0076 ~~(c)(d)~~ the actual date the beneficial ownership was transferred,
0077 ~~if different from that date;~~

0078 ~~(d)(e)~~ whether the transfer includes an interest in land, the
0079 improvements affixed to land, or both, or an interest in a portion
0080 of the land, improvements, or both, as may be included in the
0081 property;

0082 ~~(e)(f)~~ whether improvements have been added or deleted after

0083 January 1 of the current year;
 0084 (e) ~~(g)~~ whether the transfer includes personal property;
 0085 (f) ~~(h)~~ the name and address of each grantor and grantee and any
 0086 ~~other signer of the certificate of value;~~
 0087 (g) ~~(i)~~ the mailing address to which property tax bills or other
 0088 official correspondence should be directed;
 0089 (h) ~~(j)~~ the ownership interest transferred to each grantee;
 0090 ~~(k) the property classification and subclassification as pre-~~
 0091 ~~scribed in K.S.A. 79-1459, and amendments thereto;~~
 0092 (f) ~~(l)~~ the full price actually paid or required to be paid in
 0093 exchange for the real property interest, including the amount of
 0094 any lien or liens assumed, ~~whether in terms of money, or other~~
 0095 ~~thing, service, or agreement;~~
 0096 (j) ~~(m)~~ the terms of the financing, as follows: Interest rate, and
 0097 ~~points, if any, type of loan, amount of loan, and amortization~~
 0098 ~~period, and whether the borrower is personally liable for repay-~~
 0099 ~~ment of the loan; and~~
 0100 (k) ~~(n)~~ any family or business relationship between any grantor
 0101 and any grantee.
 0102 Sec. 4. (a) No deed or other conveyance document shall be
 0103 recorded in the office of the register of deeds unless accompa-
 0104 nied by a certificate of value completed in accordance with this
 0105 act. The register of deeds shall consecutively number each
 0106 certificate of value in the manner prescribed by the director of
 0107 property valuation. The register of deeds shall ~~not record~~ such
 0108 certificate of value, ~~but~~ shall enter thereon the recording date
 0109 and conveyance document number assigned to the instrument
 0110 submitted for recording. The register of deeds shall submit the
 0111 certificates of value to the county clerk ~~who shall provide a copy~~
 0112 to the county appraiser. ~~Information which has been abstracted~~
 0113 ~~from the certificate of value by state of local governments and the~~
 0114 ~~document itself may be used by the appropriate property tax~~
 0115 ~~officials at any time in the performance of their duties.~~
 0116 (b) The county clerk shall use the information derived from
 0117 the certificate of value in preparing the report to the director of
 0118 property valuation as provided for in K.S.A. 79-1436, and
 0119 amendments thereto. The certificates of value shall be retained

name and

file

and

a copy of

and

0120 by the county clerk as a public document for at least two years in
0121 a file indexed by date of conveyance.

0122 ~~(e) - The director of property valuation shall prescribe the form
0123 to be used for the certificate of value. The register of deeds shall
0124 provide an adequate supply of forms to meet the requirements of
0125 this act.~~

0126(c) ~~(d)~~ Any person who willfully falsifies the value of transferred
0127 real estate or willfully omits or falsifies any information required
0128 to be provided in the certificate of value and any public official
0129 who willfully accepts a conveyance document for filing in con-
0130 travention of the provisions of this act shall be guilty of a
0131 misdemeanor and upon conviction thereof shall be fined not
0132 more than \$1,000.

0133 (e) Any person who signs a certificate of value shall attest in
0134 writing and under penalty of perjury that to the best of such
0135 persn's knowledge and belief the information contained in the
0136 certificate of value is true and correct.

0137 (f) The certificate of value required to be completed and filed
0138 pursuant to this act shall not apply to transfers:

- 0139 (1) Recorded prior to the effective date of this act; and
- 0140 (2) of cemetery lots.

0141 Sec. 5. K.S.A. 58-2223a, 58-2223b, 58-2223c, 58-2223d and
0142 58-2223e are hereby repealed.

0143 Sec. 6. This act shall take effect and be in force from and
0144 after its publication in the statute book.

register of deeds

The contents of such certificates shall be made available to the following persons:

- (1) the County Clerk for the purpose of preparing the report to the Director of Property Valuation as provided for in K.S.A. 1976 Supp. 79-1436;
- (2) the County appraiser and staff employed by the county for the appraisal of property;
- (3) the Board of County Commissioners and staff;
- (4) the Director of Property Valuation and staff;
- (5) the Board of Tax Appeals and staff;
- (6) any property owner who has filed a written affidavit of intent to appeal the assessment or valuation of their property pursuant to K.S.A. 79-1448, and amendments thereto. Such taxpayer shall present a copy of such affidavit to the appropriate county official in order to gain access to the certificates.

The information contained in such certificates shall not be otherwise disclosed by any party having access to such information.

and any person who discloses the information required to the provided in the certificate for any purpose other than those stated in paragraph (b),

(d) Any public official who willfully accepts a conveyance document for filing without a completed certificate of value shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$100.00.

- (3) by leases; and
- (4) sales for delinquent taxes; and
- (5) made for purpose of confirming, modifying or supplementing a deed previously recorded, and without additional consideration; and
- (6) To the United States of America, the State of Kansas or any of the instrumentalities, agencies or political subdivisions thereof; and
- (7) Made for the purpose of securing or releasing security for a debt or other obligation.