

Approved

Keith Roe  
Date 2/27/90

MINUTES OF THE House COMMITTEE ON Taxation

The meeting was called to order by Representative Keith Roe at  
Chairperson

9:00 a.m./~~PM~~ on February 23, 1990 in room 519-S of the Capitol.

All members were present except:

Representative Dean, excused  
Representative Roy, absent

Committee staff present:

Tom Severn, Research Department  
Chris Courtwright, Research Department  
Don Hayward, Revisor's Office  
Lenore Olson, Committee Secretary

Conferees appearing before the committee:

Representative Mary Jane Johnson  
John Luttjohann, Director, Division of Property Valuation  
Nancy Hempen, Kansas County Treasurers Association

Representative Mary Jane Johnson testified in support of HB 2971, stating that since the escrow agents want the responsibility of seeing that taxes are paid, they should also provide information back to the taxpayer regarding a breakdown of the distribution of tax dollars due. (Attachment 1)

Representative Johnson also requested that HB 2971 be amended as shown on the attached balloon. (Attachment 2)

Nancy Hempen, Kansas County Treasurers Association, requested clarification regarding the date of mailing notices. She stated that if tax bills under current statute (K.S.A. 79-2001) do not have to be mailed out until December 15, how can the mortgage company mail the copy to the taxpayer by December 10. Moving the date back too far will cause problems with counties that manually type and stuff tax statements.

Written testimony on HB 2971 was provided by:

Jerry McCoy, Sedgwick County Treasurer (Attachment 3)  
Mary Ladesic, Wyandotte County Treasurer (Attachment 4)

Chairman Roe concluded the hearing on HB 2971.

The Chairman requested the committee to turn to HB 2850.

A motion was made by Representative Spaniol, seconded by Representative Grotewiel, to pass HB 2850. The motion carried.

The Chairman directed the Committee to turn to HB 2866.

A motion was made by Representative Fuller, seconded by Representative Shore to pass HB 2866 favorably.

A substitute motion was made by Representative Wagon, seconded by Representative Smith. to table HB 2866. The substitute motion carried with a vote count of 11 yeas and 7 nays.

John Luttjohann, Director, Division of Property Valuation, briefly reviewed the data process and the information given to the Legislature thus far. He also described some of the problems they have encountered.

The minutes of February 22, 1990, were approved.

The meeting adjourned at 10:00 a.m.



STATE OF KANSAS

MARY JANE JOHNSON  
REPRESENTATIVE, THIRTY-SIXTH DISTRICT  
WYANDOTTE COUNTY  
5321 ROSWELL  
KANSAS CITY, KANSAS 66104-2138



TOPEKA

HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
RANKING MINORITY MEMBER: LOCAL GOVERNMENT  
MEMBER: ELECTIONS  
COMMERCIAL AND FINANCIAL  
INSTITUTIONS

TO: Tax Assessment and Taxation Committee  
FROM: Representative Mary Jane Johnson  
DATE: February 23, 1990  
RE: HB 2971

HB 2971 would require that escrow agents send to the mortgagor a copy of their tax information containing a break-down of the distribution of tax dollars due. In Wyandotte County currently about 30% of the real estate bills are paid by an escrow agent, which means that these taxpayers won't receive any information about their taxes because they are automatically paid by the escrow agent.

Normally, if there is a mortgage, the escrow agent requires that taxes and insurance be paid with the house payment, therefore requiring the Treasurer to bill the Mortgage Company rather than the taxpayer.

Presently a taxpayer trying to obtain the information usually will call their Mortgage Company first. The Mortgage Companies have refused to look up the information telling the taxpayer to contact the Treasurer's Office. After the 1989 real estate bills were mailed out virtually all of the taxpayers, who have a mortgage, called the Treasurer's Office wanting a duplicate bill because they had no idea what their taxes were. Along with all of the people calling about information about protests, we had all these taxpayers who needed information that should have come from their Mortgage Companies. Their failure to provide this information kept our 4 phone lines into the Treasurer's Office constantly ringing. This resulted in the duplication of the Treasurer's effort to bill and the cost of printing and postage.

I feel that since the escrow agents want the responsibility of seeing that these taxes are paid, they should also provide this important information back to the taxpayer.

It was quite obvious the Mortgage Companies did not comply with the bill passed during the Special Session requiring them to notify the mortgagor about the amount being levied. Granted the bill was passed around the early part of December, but the deadline was moved up to January 16th, therefore, giving them at least a month to try to notify their clients.

2/23/90

Attachment 1

I would suggest that the Committee consider a penalty be imposed for not complying to the law. Thank you for your immediate consideration on this issue.

# HOUSE BILL No. 2971

By Committee on Local Government

2-8

2/23/90  
Attachment 2

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AN ACT concerning property taxation; relating to tax statements; amending section 10 of House Bill No. 2001 of the 1989 special legislative session and repealing the existing section.

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

Section 1. Section 10 of House Bill No. 2001 of the 1989 special legislative session is hereby amended to read as follows: New Sec.

10. Each year, every escrow agent responsible for payment of real estate taxes shall provide to the mortgagor a copy of the tax statement containing the property tax levied ~~thereon in 1989, prior to January 16, 1990~~ on such property. The copy of such tax statement shall be sent to the mortgagor on or before December 10.

or tax service

information provided to such agent by the county treasurer concerning

information

Sec. 2. Section 10 of House Bill No. 2001 of the 1989 special legislative session is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

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# SEDGWICK COUNTY, KANSAS

## TREASURER

Jerry McCoy

SUITE 107

COUNTY COURTHOUSE, WICHITA, KANSAS

MAILING ADDRESS: P.O. BOX 2909, WICHITA, KANSAS 67201-2909

PERSONAL PROPERTY TAXES/VEHICLE REFUNDS  
REAL ESTATE TAXES

268-7661  
268-7414

DISTRIBUTION AND BONDS  
CASHIER

268-7661  
268-7346

February 22, 1990

REP. MARY JANE JOHNSON.  
KANSAS HOUSE OF REPRESENTATIVES.  
TOPEKA, KS.

Dear Rep. Johnson;

As you are aware, H.B. 2001, Sec. 10 provides that "Every escrow agent...shall provide...a statement containing the property tax levied thereon in 1989, prior to Jan 16, 1990." The content of this bill was of public benefit. Unfortunately many "escrow agents" did not comply based upon the number of taxpayer phone calls this office received. Many have been upset to only receive this information in February and then find out that Jan 16 was the final date to file a tax protest under these circumstances. Since most mortgage companies pay the full amount, these taxpayers will not have an opportunity to even protest second half.

Since Sedgwick County, as do some other Kansas Counties, process taxes directly with escrow agents/ tax servicing companies on computer tape without creating a hard-copy tax statement, I would prefer that the phrase "tax statement" in H.B. 2971 be changed to "tax information" to give County Treasurers the flexibility to provide this information to escrow agents in a manner which will minimize additional cost to the county. A penalty may also be necessary to insure compliance.

Escrow agents are paid fees to provide this information and their failure to provide it results in duplication of effort on the part of the counties. We provide tax information to escrow agents and then have to answer their taxpayer's questions when this information is delayed or incomplete when sent to their customers.

The additional workload, particularly in the larger counties at our busiest time of the year is also of concern. I urge your thoughtful consideration of H.B. 2971.

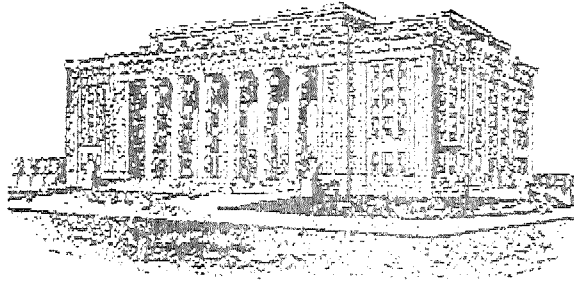
Sincerely,

*Jerry McCoy*  
Jerry McCoy  
Sedgwick County Treasurer

cc:Willie Martin

3/23/90

Attachment 3



573-2823

OFFICE OF  
**MARY P. LADESIC**  
COUNTY TREASURER  
WYANDOTTE COUNTY COURT HOUSE  
KANSAS CITY, KANSAS 66101

February 22, 1990

The honorable Keith Roe, Chairman  
House Taxation Committee  
State House R-112S  
Topeka, KS 66612

RE: HOUSE BILL NO. 2971

Dear Chairman Roe:


Please be advised I strongly support this bill. It is in the best interest of Kansas taxpayers!

Many taxpayers of our State were barred from filing a protest form because their escrow agent failed to notify them of their tax increase prior to January 16, 1990, the deadline for filing such protest. Therefore, through lack of information, taxpayers were deprived of their due process.

Passage of H.B. No. 2971 will prevent similar happenings in the future.

Thank you for your time and consideration.

Sincerely,

  
Mary P. Ladesic  
Wyandotte County Treasurer

MPL:sc

2/23/90

Attachment 4