

Approved Wednesday, February 21, 1990
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by SENATOR DAN THIESSEN at
Chairperson

11:00 a.m./~~p.m.~~ on Wednesday, February 7, 1990 in room 519-S of the Capitol.

All members were present except:

Committee staff present:

Don Hayward, Revisor's Office
Chris Courtwright, Research Department
Tom Severn, Research Department
Marion Anzek, Committee Secretary

Conferees appearing before the committee:

John Luttjohann, Director of Taxation, Department of Revenue
Beverly Bradley, Legislative Coordinator-KS Assoc. of Counties
Karen France, Director-Governmental Affiars, KS Assoc. of Realtors
Gerry Ray, Intergovernmental Coordinator-Jo. Co. Board of Commissioners

Chairman Thiessen called the meeting to order at 11:07 and said we would be hearing both Proponents and Opponents on SB571 and he recognized John Luttjohann, Director of Property Valuation, Department of Revenue.

SB571 AN ACT relating to property taxation; delaying the property reappraisal maintenance program; amending K.S.A. 79-1476 and repealing the existing section.

John Luttjohann said SB571 imposes a one year moratorium on the maintenance portion of reappraisal. The administration supports a one year moratorium in order to bring stability to the appeals process. They believe it would be a burden on many counties and confusing to taxpayers to receive new change of value notices for 1990 while the reopened appeal process is ongoing for 1989.

Director Luttjohann, said their position is simply that mass mailing of notices to all property owners would generate significant confusion and instability before we have given the 1989 appeals process time to work. The concept embodied in SB467, amended to provide local officials the flexibility to review properties in their counties and send changes where appropriate would accomplish much of the mission of a moratorium. He said it would be prudent to exclude irrigated farm land from the moratorium in that the system of appraising such land has been recently enhanced significantly to provide more detailed sub-classes. Such a change should probably not be delayed a year. (ATTACHMENT 1).

Beverly Bradley, Legislative Coordinator KS Assoc. of Counties said SB571 as they understand it, declares a moratorium on phase two of the reappraisal. Their concern is that the process needs to continue. Allow the system to stabilize. She said, give us at the local level some time and some assistance to work out the problems that exist in the system. Delaying reappraisal for a year, whatever that means, doesn't help. It compounds existing problems and slows down the all important task of updating and correcting the system. (ATTACHMENT 2)

Karen France, Director, Governmental Affairs, KS. Assoc. of Realtors said they believe it is dangerous to delay the ongoing reappraisal, as such delay sets a dangerous precedent for further delays in the years to come.

She said, they believe the increased taxes which they have seen on properties will lower the value of the property accordingly. If the CAMA system works, as it has been presented it is supposed to be able to do, the lowering of property values will be reflected in the 1990 values. She said, property owners are entitled to have this reduction in their valuation and should not have to wait until 1991 to have their true value adjusted. (ATTACHMENT 3)

Written testimony was passed to the members regarding SB571, from Gerry Ray, Intergovernmental Coordinator, Johnson County Board of Commissioners.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,
room 519-S, Statehouse, at 11:00 a.m./~~pm~~ on Wednesday, February 7, 1990

Chairman Thiessen concluded hearings on SB571 and recognized Senator Martin, with a proposal to amend SB467.

Senator Martin said regarding the proposed amendment in front of the members, he would like to amend a bit further. 1. He said this is for the year 1990 only and on line 4 he would like personal property, changed to read "all property" and on page 1 of the attachment for tax year 1990, insert "for all property other than irrigated land" on the front page including a physical inspection and actual delete the word "actual"

The Senator said basically he offered the amendment as a middle ground between SB467 which allows notices to be sent out and changes to be made, and he said, SB571 is more of a total moratorium.

The Senator said he feels this is a good compromise and workable for county appraisals, and beneficial for taxpayers. (ATTACHMENT 4).

After Committee discussion regarding the proposed amendment the Chairman recognized Gary Post, Seward County Appraiser.

Gary Post said an appraisers office now, is very much like a service organization, he said they have to run the office and be able to explain their tax bills, and give them a chance to visit with us. He said, it is extremely difficult to do this, but there isn't any other way. Property owner's are so conscience of reappraisal, maintenance and every thing else, that we have to develop this attitude ourselves, and try and cater to the situation.

After committee discussion The Chairman recognized Senator Martin.

Senator Martin moved to favorably adopt his proposed amendment into SB467, 2nd by Senator Karr. The motion carried.

Senator Martin made a motion to move SB467 favorably for passage as amended, 2nd by Senator Langworthy. The motion carried.

Senator Karr moved to adversely pass SB571 out of committee, 2nd by Senator Montgomery. The motion carried.

Chairman Thiessen adjourned the meeting at 11:38 a.m..

GUEST LIST

COMMITTEE: SENATE
ASSESSMENT & TAXATION

DATE: WEDNESDAY 2-7-90

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Z H Grant	Topeka	Revenue
T. N. HAGEMANN	LAKIN	KLPG
Dale L. Hahn	Topeka	KDDOR
Dwight Pappas	Wesley	County
Alvin Pison	Great Bend	Benton
Karen France	Topeka	Kansas Assoc of REALTORS
Bob Halleran	Garden City	City of G.C.
Bunda Reeve	" "	Reeve Cattle Co.
ALAN Steppat	Topeka	KLPG - McCall & Associates
Gary Post	Liberal	Seward Co Appraiser
Don McBride	Topeka	at law
Gary Schlapper	Garden City	Leadership Garden City
Jane Botz	Garden City	Leadership Garden City
Beth Tedrow	Garden City	Leadership Garden City
Jerry Pate	Garden City	" "
April	Garden City	Leadership Garden City
Don Nguyen	Garden City	" "
Bob Whippo	"	"
Louie Hopson	"	"
Carole Meyer	Garden City	Chamber of Commerce
Patricia Miller	Garden City	Leadership Garden City
GENEA MATNEY	834NW39th Topeka	KANSAS FOR FAIR & OPEN
Alan Somak	Topeka KS	KFFT INC.
Pete Olson	Garden City, KS	City of G.C.
Dennis L. Mera	" "	" "



KANSAS DEPARTMENT OF REVENUE

Property Valuation Division

Robert B. Docking State Office Building

Topeka, Kansas 66625-0001

(913) 296-4218

MEMORANDUM

TO: THE HONORABLE DAN THIESSEN, CHAIRMAN
SENATE COMMITTEE ON ASSESSMENT AND TAXATION

FROM: JOHN LUTTJOHANN 
PROPERTY VALUATION DIRECTOR

DATE: FEBRUARY 7, 1990

RE: SENATE BILL 571

Thank you for the opportunity to appear today in support of Senate Bill 571 which imposes a one year moratorium on the maintenance portion of reappraisal.

There are valuation problems in some counties and with some types of property which need to be resolved. The administration supports a one year moratorium in order to bring stability to the appeals process. We believe it would be a burden on many counties and confusing to taxpayers to receive new change of value notices for 1990 while the re-opened appeal process is ongoing for 1989.

The administration would not oppose some middle ground which would allow inequities to be corrected, or, certainly, for the results of the 1989 appeals to be considered in setting values for 1990. Our position is simply that mass mailing of notices to all property owners would generate significant confusion and instability before we have given the 1989 appeals process time to work. Indeed, the concept embodied in Senate Bill 467, amended to provide local officials the flexibility to review properties in their counties and send changes where appropriate would accomplish much of the mission of a moratorium. I have also been advised that it would be prudent to exclude irrigated farm land from the moratorium in that the system of appraising such land has been recently enhanced significantly to provide more detailed sub-classes. Such a change should probably not be delayed a year.

Thank you for the opportunity to appear today. I would be happy to respond to any questions which you may have.



"Service to County Government"

February 7, 1990

To: Senator Dan Thiessen, Chairman
Members Senate Assessment and Taxation Committee

From: Bev Bradley, Legislative Coordinator
Kansas Association of Counties

Re: SB 571

SB 571 is very simple in the change of wording to KSA 79-1476. It's just one number, changing 1990 to 1991. As we understand it, this declares a moratorium on phase two of the reappraisal. Our concern with this is that the process needs to continue. Allow the system to stabilize. Give us at the local level some time and some assistance to work out the problems that exist in the system. Delaying reappraisal for a year, whatever that means, doesn't help. It compounds existing problems and slows down the all important task of updating and correcting the system.

There are mistakes out there that need to be addressed. For instance, if an appraiser finds a neighborhood that is out of line, one should have the opportunity to correct the problem and use the corrected values.

Line 28 which states, "Commencing in 1991, every parcel of real property shall be actually viewed and inspected by the county or district appraiser once every four years" is a change that we can accept. The leeway is there so the appraiser can do the reinspection anytime within the four years. They should be ready to start this by 1991.

Thank you for the opportunity to testify today. This is County Government Day in Topeka and we have several county officials in town if there are questions you would like to ask.

TSB571



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

TO: THE SENATE TAXATION COMMITTEE
FROM: KAREN FRANCE, DIRECTOR, GOVERNMENTAL AFFAIRS
DATE: FEBRUARY 7, 1990
SUBJECT: SB 571

Thank you for this opportunity to testify. On behalf of the Kansas Association of REALTORS®, I appear today to oppose SB 571.

We believe that, in order to assist in getting the problems of reappraisal straightened out, the ongoing reappraisal must occur. We believe it is dangerous to delay the ongoing reappraisal. We feel such a delay sets a dangerous precedent for further delays in the years to come. We do not believe it is wise to start the state down the path of not performing the annual reappraisal, lest we end up again in the place where we are today after not reappraising for 15 years.

In addition, we believe the increased taxes which we have seen on properties will lower the value of the property accordingly. If the CAMA system works, as it has been presented it is supposed to be able to do, the lowering of property values will be reflected in the 1990 values. We believe property owners are entitled to have this reduction in their valuation and should not have to wait until 1991 to have their true value adjusted.

SENATE ASSESSMENT AND TAXATION COMMITTEE
WEDNESDAY, FEBRUARY 7, 1990 ATTACHMENT 3

Lastly, many people have communicated to us that when they pointed out the difference between the value put on their property compared to their neighbor's, that the county appraiser's office told them the problem wasn't that their property was overvalued, but that their neighbor's property was undervalued and the reappraisal in 1990 would straighten that out. We would hate to have the county not follow through to make sure the correction is made.

We ask that you do not pass the bill favorably. I will be happy to stand for any questions.

Proposed Amendment to SB 467

"Section 1. K.S.A. 79-1460 is hereby amended to read as follows: 79-1460. (a) The county appraiser shall notify each taxpayer in the county annually on or before April 1 for real property and May 1 for ^{ALL} ~~personal~~ property, by mail directed to the taxpayer's last known address, of any change in the classification or appraised valuation of the taxpayer's property, except that, ~~in the year in which valuations for real property established pursuant to the program of statewide reappraisal are first applied as a basis for the levy of taxes, such notice in the case of real property shall be mailed on or before March 1~~ for tax year 1990, such valuation shall not be changed and no notice shall be sent unless an increase or decrease in the appraised valuation of the property occurs due to a specific review thereof, including a physical inspection and actual contact with the owner thereof or such owner's representative by the county or district appraiser. For the purposes of this section and in the case of real property, the term "taxpayer" shall be deemed to be the person in ownership of the property as indicated on the records of the office of register of deeds or county clerk. Except for the year in which valuations for real property established pursuant to the program of statewide reappraisal are first applied as a basis for the levy of taxes, such notice shall specify separately both the previous and current appraised and assessed values for the land and buildings situated on such lands. In the year following the year in which valuations for tangible property established under the program of statewide reappraisal are applied as a basis for the levy of taxes, and in each year thereafter, such notice shall include the most recent county sales ratio for the particular subclass of property to which the notice relates, except that no such ratio shall be disclosed on any such notices sent in any year when the

total assessed valuation of the county is increased or decreased due to reappraisal of all of the property within the county. Such notice shall also contain a statement of the taxpayer's right to appeal and the procedure to be followed in making such appeal. Failure to receive such notice shall in no way invalidate the classification or appraised valuation as changed.

~~(b) Prior to January 1, 1989, the county appraiser shall notify each owner of improved real estate upon forms devised and provided by the director of property valuation of the criteria upon which the valuation of such property was obtained, except that the director may waive the provisions of this sentence in any case where a county appraiser has substantially complied therewith or in any other case deemed necessary.~~

Sec. 2. K.S.A. 79-1460 is hereby repealed."