

Approved Thursday, February 22, 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./~~pm~~ on Tuesday, February 13, 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:

Senator Alicia Salisbury
Keith Farrar, Board of Tax Appeals
Senator Leroy A. Hayden
Raymond Dienst, Jr., Lakin, KS
Ken Corbett, taxpayer from Shawnee County, KS
Darrel Monti, KS Wildlife Association
Senator Sheila Frahm
Timothy N. Hagemann, Exec. Dir. KS Legislative Policy Group
Wiley McFarland, Gray County Commissioner, Cimarron, KS
Paul Fleener, Dir. of Public Affairs-KS Farm Bureau

Chairman Thiessen called the meeting to order at 11:02 a.m. and said we have some bill requests and recognized Senator Alicia Salisbury on SB555.

SB555:AN ACT relating to property taxation; concerning the determination of fair market value; amending K.S.A. 79-503a and repealing the existing section.

Senator Alicia Salisbury said she is addressing the number of commercial access streets off of 21st Street in Topeka, KS and she passed a map showing the access has been limited to 2. She said the problem with limiting the access, has also limited the interest by commerce in developing in the area, and she said, looking at the map in the 21st Street area, there is a bit of commerce that has developed, a Bank, Muffler Shop and a Telephone Repair Center which is scheduled to close. These three business have access and another to the lower right on the map. The docks which are black on the map indicate homes, which most are modest and are occupied by the elderly on fixed and limited income, and some have been occupied for up to 40 years and most of the residents have no desire to re-locate. All residents have stated, they have had interested parties inquire about their property, whether or not if it is for sale, but they immediately lose interest when they find there is no access to 21st Street, which makes it undesirable for commercial use. (ATTACHMENT 1a). Senator Salisbury passed another handout with pictures of 4 of these homes off 21st Street and she wanted to address their appraised value. (ATTACHMENT 1b) The bank on 21st Street has been appraised at \$2.54 a square foot and 1 of the homes was appraised at \$3.65 a sq. ft., another \$2.50, another at \$3.00 per sq. ft. and the last one at \$3.81 a sq. ft. and in addition to the problem of reappraisal, these homes are appraised higher than the commercial property that is already located there and have commercial access. It may be a number of years before these properties are commercial, and she would like to propose an amendment to amend the law to read residential properties should be appraised as residential property as long as that is the intended use, and the constitution only allows for agricultural property to be appraised at land use. She said, the guidelines issued by the Property Valuation Director would be more appropriate, and SB555 does not do this, and she does not believe the intent of reappraisal was to drive long term elderly individuals from their homes, and just because they do not have a buyer and are unable to pay taxes of \$2,000. to \$6,000. a year on a one or two bedroom home they have occupied for many years. These individual homes should be appraised at regular residential use until there is evidence the property is ready to be developed for commercial use.

After committee discussion Tom Severn said the question has been asked before "How

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

room 519-S Statehouse, at 11:00 a.m. ~~pm~~ on Tuesday, February 13, 1990

do you value a valuable commercial piece of property that has the residence on it, and the answer was, "you would value it at the highest and best use, which would be the commercial and you would subtract from that the cost of removing the residence". That is how such property should be appraised, according to a representative from P.V.D.

Keith Farrar, Board of Tax Appeals said we could take all the value off that property, but what is going to hurt is the specials. There is be \$13,000. to \$15,000. on specials each year, but we could take the value clear off of it. He said, the more he looked at it the more it stinks about the way it came about, and how some of it was developed. He said if you look at the map, you can see some have 2 accesses and some of the people that have lived there a long time, never will have access. They had to sign something in order to use their driveway.

Chairman Thiessen concluded hearings on SB555 and turned attention to SB551 and recognized Senator Leroy A. Hayden.

SB551:AN ACT relating to property taxation; concerning the definition of land devoted to agricultural use; amending K.S.A. 79-1476 and repealing the existing section.

Senator Leroy A. Hayden said was here to seek the support of the committee on SB551 and he said, the bill was made necessary by the fact that a Western KS appraiser determined that Controlled Hunting Areas were not listed as land devoted solely to agriculture purposes. He felt, it was not the intent of the legislature that this potentially large entrepreneurial enterprise should be thwarted to any degree by the possibility of a larger real estate property tax.

An opinion was sought and received from the P.V.D. that the appraiser would be correct under existing statutes if the land would be re-classified as commercial property, thereby increasing the taxes about 300% to 400%.

This opinion confirmed the correctness of the appraiser's determination. This bill will once and for all state the legislature's intent on this matter. (ATTACHMENT 2)

Raymond Dienst, Jr. said he recently opened a controlled shooting area called Pheasant Creek in Lakin, KS. The result, the County assessor has threatened to reclassify the acreage enrolled in the controlled shooting areas from agricultural to commercial property.

A controlled shooting area, is governed and licensed by the KS Dept. of Wildlife and Parks, is an established area of land in which the breeding, preservation, and controlled shooting of game birds is allowed. Applications have to be made to the KS Dept. of Wildlife and Parks for a license. A 5 year lease on the land is required for approval of a license. After inspection and approval, a bond to the St of KS in the sum of \$2,000. must be executed and regular reports must be submitted to the Dept. and other specified regulations executed for an applicant to remain licensed.

He said, after he started the shooting area to supplement his farmland during the winter months, he was notified that the Dept. was taking steps toward the reclassification of his farm acreage. The effect on 1/4 of land had an estimated increase of approximately 300% in the property taxes, which would result in an increase of \$35,200. in property tax.

This problem is not unique to only Pheasant Creek, but a state wide problem affecting all controlled shooting areas in the St. of KS and indirectly the communities surrounding the controlled shooting areas. (Attachment 3)

Ken Corbett said he has a hunting preserve in S.W. Shawnee County and is in favor of not taxing the 30% and he said to get it started he had to fight zoning and sued the county in district court and they took him to the State Appeals Court and they won both cases with 4 Judge's approval that a hunting preserve is a direct correlation to agricultural use.

Mr. Corbett had no written testimony but said he would present it to the committee at a later date.

Darrel Monti representing KS Wildlife said he had no written testimony but KS Wildlife supports SB551.

Timothy N. Hagemann KS Legislative Policy Group said they are in favor of SB551 and

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

room 519-S, Statehouse, at 11:00 a.m./p.m. on Tuesday, February 13, 1990.

he said where the problem arises is on page 3, line 18 of the bill which say "land devoted to agricultural use shall not include those lands which are used for recreational purposes". He said, he was one who worked hard on "use value" and it was not the legislative intent to include commercial property on this type of property.

Chairman Thiessen concluded hearings on SB551 and turned attention to SB572.

SB572: AN ACT relating to property taxation; concerning the valuation of certain land devoted to agricultural use; amending K.S.A. 79-1476 and repealing the existing section.

Senator Sheila Frahm said the bill addresses the concern raised by many farmers, and local and state officials about property taxes on formerly irrigated CRP acres.

Senator Frahm said SB572 seeks to revise the SB378 (now KSA 79-1476) as follows: "For all taxable years commencing after December 31, 1989 all land devoted to agricultural use which is subject to the federal conservation reserve program shall be classified as dryland for the purpose of valuation for property tax purposes pursuant to this section".

The Senator said she believes the concerns about the appraisal of agricultural land can be addressed by favorably recommending SB572 for passage. (ATTACHMENTS 4a and 4b).

Timothy N. Hagemann, Exec. Dir. KS Legislative Policy Group said KSA 1476 was amended to require those lands enrolled in the C.R.P. program to be classified "in its usage immediately prior to being subject to such program." He said this amendment was necessary to prohibit cropland enrolled in the program from being classified for use value as grassland. If for no other reason, the payment for all land is the same regardless of whether dry or irrigated. He urged the committee to favorably pass SB572.

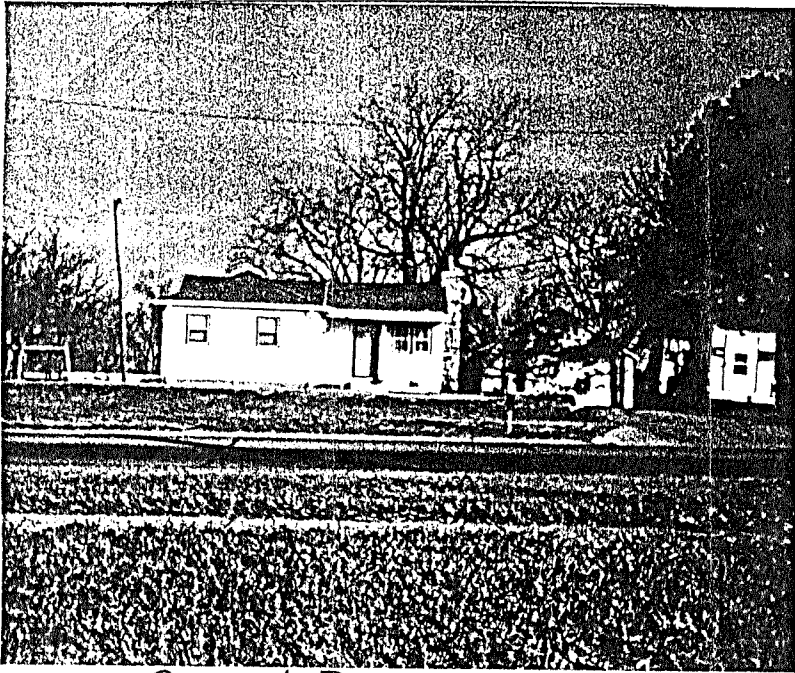
(Attachment 5)

Wiley McFarland, Gray County Commissioner, Cimarron, KS said the taxes assessed on land, due to K.S.A. 1988 Supp. 79-1476 makes the taxes on irrigated land approximately 4 times the taxes assessed on dry land. An example, approximately 130 acres per 1/4 leaving approximately 30 acres in the corners which are unfarmed, are not in the C.R.P. contract. These corners are assessed as pasture land uneconomical to fence or pasture 7½ tracts with no water availability. (ATTACHMENT 6)

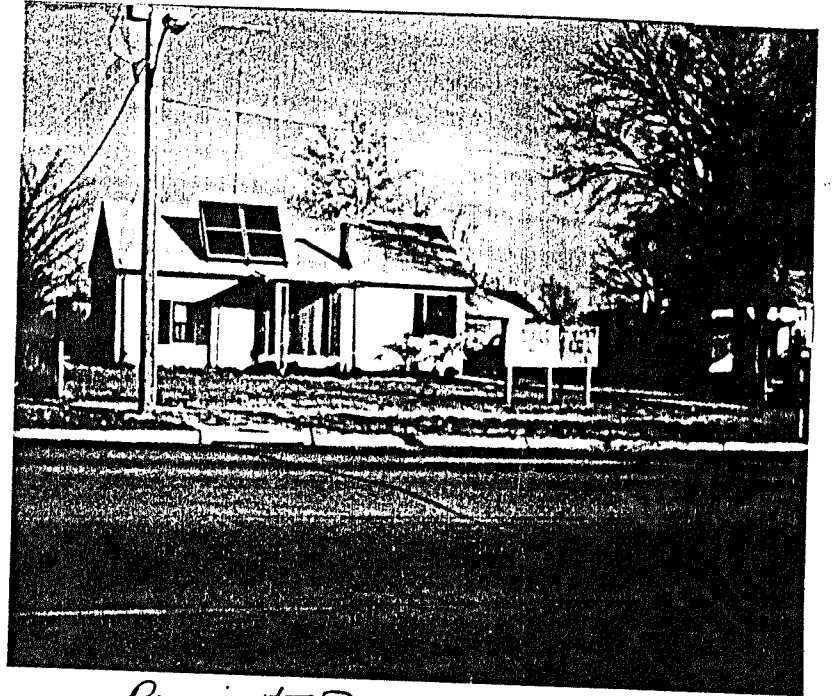
Paul Fleener, Dir. of Public Affairs for KS Farm Bureau said what he was going to testify about has already been said by the above conferees. He said, KS Farm Bureau supports SB572 and they think it defines a middle ground as the legislature did back in 1987 after passing SB164 which contained use value language. (ATTACHMENT 7)

Keith Farrar, Board of Tax Appeals said just for equity something has to be done, because he has seen some changes of value and you have an irrigator the has chose, because he can't make any money, has decided to quit irrigating and has changed that value into dry land, and if he had chose to put that land into C.R.P. he would continue to be valued at the irrigated value, and he said he thought this was not right. He said, the legislature has to make these changes.

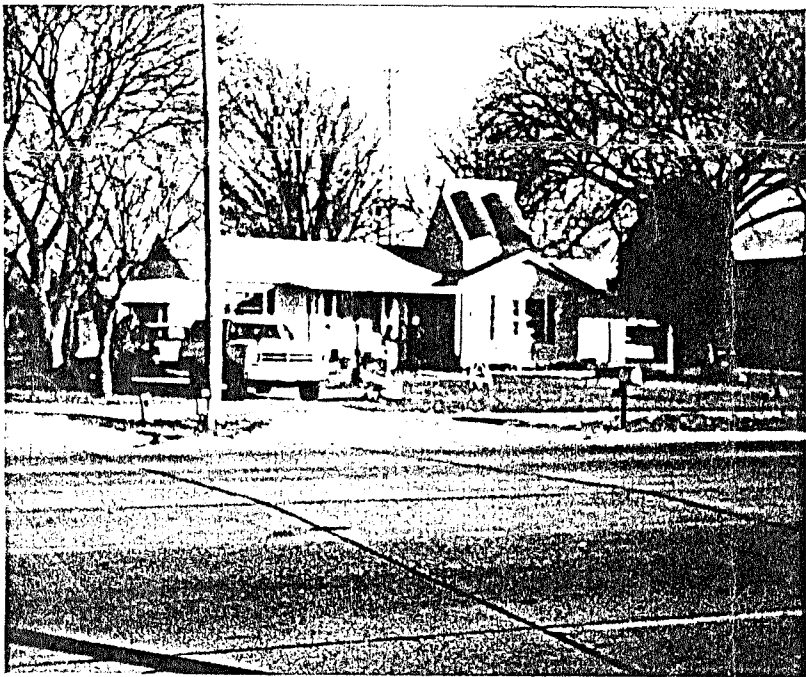
Chairman Thiessen concluded hearings on SB572 and adjourned the meeting at 12:10 p.m.



Present occupant } 42 years
Taxes from: \$334 to \$4620
No access to 21st St.



Present occupant } 4 years
Taxes from: \$322 to \$1531
No access to 21st St.



Present occupant } 34 years
Taxes from: \$590. to \$6000 +
No access to 21st Street



Present occupant } 20 years
Taxes from: \$345 to \$1313.
No access to 21st St.

STATE OF KANSAS

SENATOR LEROY A. HAYDEN

SENATOR, 39TH DISTRICT
GREELEY, HAMILTON, KEARNY,
FINNEY, STANTON, GRANT,
MORTON, STEVENS AND PART
OF HASKELL COUNTIES
BOX 458
SANTANTA, KANSAS 67870



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS

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LEGISLATIVE AND CONGRESSIONAL
APPORTIONMENT
PUBLIC HEALTH AND WELFARE
JOINT COMMITTEE ON SPECIAL CLAIMS
AGAINST THE STATE
TRANSPORTATION AND UTILITIES
WAYS AND MEANS

TO: Senate Assessment and Taxation Committee

RE: SB 551

DATE: February 13, 1990

I appreciate the opportunity to appear before the Senate Assessment and Taxation Committee in support of Senate Bill 551.

This bill was made necessary by the fact that a Western Kansas appraiser determined that Controlled Hunting Areas were not listed as land devoted solely to agriculture purposes. I am sure it was not the intent of the legislature that this potentially large entrepreneurial enterprise should be thwarted to any degree by the possibility of a larger real estate property tax.

An opinion was sought and received from the Property Valuation Department by Counsel William (Bill) Waters that the appraiser would be correct under existing statutes if the land would be re-classified as commercial property, thereby increasing the taxes about 300% to 400%.

This opinion confirmed the correctness of the appraiser's determination. This bill will once and for all state the legislature's intent on this matter.

Senate Assessment and Taxation Committee
Tuesday, February 13, 1990 ATTACHMENT 2

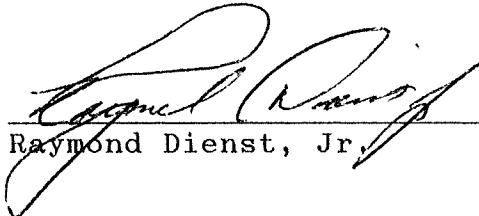
Summary of Testimony of Raymond Dienst, Jr.

I recently opened a controlled shooting area called Pheasant Creek in Lakin, Kansas. As a result of this, the Kearny County assessor, Brad Welch, has threatened to reclassify the acreage enrolled in the controlled shooting areas from agricultural to commercial property.

A controlled shooting area, which is governed and licensed by the Kansas Department of Wildlife and Parks, is an established area of land in which the breeding, preservation, and controlled shooting of game birds is allowed. Any person desiring a controlled shooting area must make application to the Kansas Department of Wildlife and Parks for a license. A five year lease on the land is required for approval of a license. After inspection and approval, a bond to the State of Kansas in the sum of \$2,000 must be executed. Regular reports must be submitted to the department and other specified regulations executed for an applicant to remain licensed.

I started the hunting operation as a means to better utilize farmland during the winter months and to supplement my income. In September 1989, I was notified that Mr. Welch was taking steps toward the reclassification of this farm acreage. He contacted the Kansas Department of Revenue and the Department of Wildlife and Parks to determine the number of acreage that Pheasant Creek has enrolled in the controlled areas and the land classification. Upon confrontation with Mr. Welch, he acknowledged his actions and gave me an example of the effect the reclassification would have on one-quarter of land. He estimated an approximate increase of 300% in the property taxes. Taking this into consideration, the property taxes on the 4,400 acres that I first proposed to the Department of Wildlife and Parks would result in a \$35,200 increase in property tax. This reclassification is presumably supported by the Kansas Department of Revenue as evidenced in a letter to Mr. Welch from Bill Waters, chief attorney for that department. Upon hearing this, my proposed lessors reduced the total acreage available for lease from the 4,400 acres to 1,280 acres. Even with this reduced acreage, the additional tax amounts to \$10,240. This large increase in taxation, in turn, would be passed on to myself, the lessee, and thereby making the project less viable.

This problem is not unique to only Pheasant Creek, but a state wide problem affecting all controlled shooting areas in the state of Kansas and indirectly the communities surrounding the controlled shooting areas. It was because of this that I felt the need to notify my legislators and make them aware of the problem.


Raymond Dienst, Jr.



KANSAS DEPARTMENT OF REVENUE
Division of Property Valuation
Robert B. Docking State Office Building
Topeka, Kansas 66612-1585

October 3, 1989

Brad Welsh
Box 407
Lakin, Kansas 67860

Dear Mr. Welsh:

This letter is in reply to your telephone inquiry of yesterday. You stated that the owner(s) of a parcel of land presently classified as "land devoted to agricultural use" have leased the land to be used as a "controlled shooting area for hunting purposes." Your question is: Would such a lease require the land to be reclassified for property tax purposes?

K.S.A. 79-1476 provides in part as follows: "Land devoted to agricultural use shall not include those lands which are used for recreational purposes, . . ." Therefore, in my opinion, the lease you referred to would require the land to be reclassified from "land devoted to agricultural use" to "other urban and rural real property." The land in question should be valued at its fair market value and assessed at 30%. Any property owner aggrieved by your reclassification may appeal the same to the Board of Tax Appeals.

I hope this information is helpful. If you have further questions please contact me at your convenience.

Sincerely,

Bill Waters

Bill Waters
Chief Attorney

cc: R.C. Walters
Reappraisal Staff

SHEILA FRAHM
DISTRICT 40
CHEYENNE, DECATUR, GOVE, GRAHAM,
LOGAN, RAWLINS, SCOTT, SHERIDAN,
SHERMAN, THOMAS, WALLACE, WICHITA
COUNTIES
985 S. RANGE
COLBY, KANSAS 67701

(913) 462-6948—HOME



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS
CHAIRPERSON: JOINT COMMITTEE ON ADMINISTRATIVE
RULES AND REGULATIONS
VICE CHAIRPERSON: EDUCATION
MEMBER: AGRICULTURE
ASSESSMENT AND TAXATION
ENERGY AND NATURAL RESOURCES
LOCAL GOVERNMENT

**CHAIRMAN THIESSENAND MEMBERS OF THE SENATE
ASSESSMENT & TAXATION COMMITTEE**

SB 572

February 12, 1990

Thank you for the opportunity to appear before you this morning and request your consideration of SB 572. This bill addresses the concern raised by many farmers, and local and state officials about property taxes on formerly irrigated CRP acres. The Conservation Reserve Program (CRP) is a USDA (United States Department of Agriculture) program designed to retire some land from production for a period of ten years. The landowner agrees to plant and maintain grass and cannot use the land for any productive purpose during the 10 year contract. There is an annual payment, usually about \$50 per acre, to the landowner.

In 1987 SB 378 (now KSA 79-1476) established the basis for appraisal of farmland put into CRP:*in the case of such land which is subject to the federal conservation reserve program, in its usage immediately prior to being subject to such program*

SB 572 seeks to revise the above as follows (p. 2, line 9-10):
For all taxable years commencing after December 31, 1989, all land devoted to agricultural use which is subject to the federal conservation reserve program shall be classified as dryland for the purpose of valuation for property tax purposes pursuant to this section.

An individual who has placed formerly irrigated land in CRP is receiving the same payment per acre as a dryland owner with land placed in CRP. The appraisal varies, of course, but this is placing the irrigated land owner in an inequitable position. The irrigated land is appraised higher.

We have requested statistics from the State ASCS (Agricultural Stabilization and Conservation Office) regarding the number of acres with prior usage for irrigation which have gone into CRP. Preliminary indications are available for your information.

In 1987 when this committee reviewed this situation they were addressing the impact of placing all CRP farm land (both dryland and irrigated) on the tax rolls as pasture land. This would have had a devastating affect on the tax base in some counties. SB 572 only returns formerly irrigated CRP to dryland values. At the end of the 10 year contract period when the decision must be made whether the individual farmer will return his land to former use or keep it in grass--then the counties must re-appraise each parcel and put it onto the tax rolls according to use-value.

This committee recently received results of a survey of appraisers in nearly all of our 105 counties. Many raised questions about agricultural land, irrigated land and three indicated special concern with formerly irrigated CRP land. I have indication that some counties have made the necessary adjustments themselves. To date no county has raised concern about potential loss of revenue from SB 572.

I know you reviewed part of this concern during the summer interim and heard testimony at that time. Today we have commissioners, farmers, appraisers, and state officials here to give you specific examples of how they see this impacting the total picture.

Again, thank you for your consideration of SB 572. I believe we can address one of the concerns about the appraisal of agricultural land by recommending this bill favorably.

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

Room 545-N -- Statehouse

Phone 296-3181

February 13, 1990

TO: Senator Sheila Frahm

Office No. 143-N

RE: Irrigated Land Enrolled in the Federal Government's Conservation Reserve Program

You asked for information regarding the number of previously irrigated acres of land that have been enrolled in the federal government's Conservation Reserve Program (CRP) by county in Kansas. In an attempt to determine the number of acres, I contacted both the state offices of the Soil Conservation Service and the Agricultural Stabilization and Conservation Service (ASCS). Neither office had this data readily available.

Following my initial conversation with Mr. Frank Mosier of the state ASCS office, he indicated to me that he would contact several of the county offices and determine as best as possible the number of irrigated acres that were enrolled in the CRP. The following information was provided to me by Mr. Mosier. It indicates the results of Mr. Mosier's informal county survey.

<u>County</u>	<u>Number of Acres</u>
Cheyenne	2,300
Gove	620
Logan	164
Ness	294
Decatur	0
Lane	47
Rawlins	96
Sheridan	357
Sherman	1,054
Thomas	496
Trego	107
Wallace	5,563
Finney	3,215
Grant	1,776
Greeley	2,614
Hamilton	1,000
Haskell	6,820
Kearny	11,600
Morton	1,200
Scott	348
Seward	2,867
Stanton	9,327
Stevens	1,032
Wichita	4,992
TOTAL	57,889

As I indicated to you over the telephone, Mr. Mosier questioned the figures from some of the counties. Those he questioned as being too large were the figures from Haskell, Kearny, Stanton, and Wichita counties. Mr. Mosier also stated that an Economic Research Office publication indicated that Kansas had 33,781 formally irrigated acres enrolled in the CRP. Mr. Mosier could not explain the discrepancy.

I hope this preliminary information is helpful to you. I will attempt to contact those individuals at the Economic Research Service (USDA) when I receive a copy of the report to determine how they arrived at the Kansas figure. In the meantime if you have any questions, please feel free to contact me.

Sincerely,



Raney Gilliland
Principal Analyst

RG/bd

ATT 5
2-12-

TESTIMONY ON SENATE BILL NO. 572
SENATE TAXATION COMMITTEE

TIMOTHY N. HAGEMANN, EXECUTIVE DIRECTOR
KANSAS LEGISLATIVE POLICY GROUP
PROPONENT OF SB 572

Mr. Chairman and Members:

My name is Timothy N. Hagemann. I am Executive Director of the Kansas Legislative Policy Group (K.L.P.G.).

The K.L.P.G. is an organization of County Commissioners representing 24 rural counties.

I appear today as a proponent of SB 572.

Use Value was conceived and partially implemented prior to the Conservation Reserve Program (C.R.P.). However, after C.R.P. land was a reality, this Body ammended KSA 1476 to require those lands enrolled in the C.R.P. program to be classified "in it's usage immediately prior to being subject to such program." This ammendment was necessary to prohibit cropland enrolled in the program from being classified for Use Value as grassland.

Under the first enrollments in the program only land being farmed under dry cropland practices was bid into the program. Therefore, no attention was directed towards the possibility of irrigated land being a future problem. However, due to the following factors the situation has changed.

1. High cost of inputs
2. Increased energy prices
3. Low commodity prices
4. Lender concerns relating to cash flow positions
5. Unmeasurable or negative future benefits from continuing marginal irrigation practices

Due to these factors, many landowners, tenant farmers, lending institutions and farm managers saw that discontinuation of irrigation and enrollment in C.R.P. was the only profitable future for marginal irrigated lands.

It must be noted that payments for irrigated land are no higher than for dryland enrolled in C.R.P. Approximately \$50.00 per acre is the maximum payment under current procedures. I am personally not aware of any irrigated land enrolled that realized net profits above the potential from C.R.P. payments, although there may be isolated cases in areas of the State with which I am not familiar.

If for no other reason -----the payment for all land is the same regardless of whether dry or irrigated-----I urge you to act favorably on SB 572.

I will be more than happy to respond to your questions.

ATT 6
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For Presentation to:
Senate Assessment and Taxation Committee
February 13, 1990
Wiley McFarland, Gray County Commissioner
Cimarron, Kansas

I'm testifying before you today to point out what I believe is an extreme inequity in K.S.A. 1988 Supp. 79-1476. Our new reappraisal for agricultural land is supposed to be based on use value and in our county and all counties I know about, the land is assessed each year based on what and how the land is used that year, not on its possible potential or past usage.

By statute K.S.A. 1988 Supp. 79-1476, agricultural land that entered into a federal contract after September 1986 was to be assessed for taxing purposes at the taxing rate for its use prior to the government contract. Specifically what I'm referring to is Conservation Reserve Program, CRP land.

In our county and many other counties, formerly irrigated farm land as well as dry farm land has been entered into the program with a C.R.P. payment amount of approximately \$50.00 per acre per year which is the same for either irrigated land or dry land.

The taxes assessed on the land, due to K.S.A. 1988 Supp. 79-1476 however makes the taxes on the irrigated land approximately 4 times the taxes assessed on the dry land. I'll give an example of figures taken from tax protest forms submitted in December 1989 that averages 15 quarters of irrigated land which relates irrigated to dry land rates. The irrigated land average appraisal was \$185.00 per acre, whereas the same land with a dry land average appraisal was \$46.50 per acre, approximately a 4 to 1 ratio.

The example I gave was for center pivot irrigation circles, approximately 130 acres per quarter leaving approximately 30 acres in the corners which were unfarmed, and thus are not in the C.R.P. contract. These corners are assessed as pasture land however they are not being utilized for pasture as it is uneconomical to fence or pasture 7 1/2 acre tracts with no water availability.

To illustrate very vividly the inequity of this matter, I have a letter from a taxpayer, Mr. Lyle Davis of Cimarron, Kansas, for inclusion in the testimony today. Mr. Davis has protested the taxes on his irrigated C.R.P. acres. He had 621 acres of former irrigated land on which the appraised initial land value averaged \$345.00 per acre and 127 acres of dry land corners were at an average rate of \$73.00 per acre - better than a 4 to 1 ratio. The corners were cultivated on his property so the entire acreage was contracted in the C.R.P. - 748 acres at the approximate \$50.00 per acre per year. So the irrigated land is taxed at better than 4 times the dry land.

To give a little information as to effect a possible changing of the statute to include all Government contract land at a dry farm land rate, Gray County has as of now, 32,763 acres of C.R.P. land. Of that amount 8,620 is formerly irrigated and assessed at the irrigated rate. The total assessed evaluation loss to Gray County by shifting the irrigated to dry land rate

would be approximately \$358,161.00 or about 0.77% . I have heard the reason that statute K.S.A. 1988 Supp. 79-1476 was implemented was to avoid all C.R.P. land going onto the tax rolls as pasture land which would have been a considerable assessment reduction. I agree that C.R.P. contract land, with its C.R.P. income, should not be assessed as pasture, but as non-irrigated farm land. One thing many counties will have to plan for at the end of the contracts, probably in about 8 to 10 years, is the land will be assessed as pasture at that time.

We in Gray County knew we had a problem when the appeals started rolling in last April. I guess you don't realize what the statutes do to you until you start to try to live with them.

We met with Mr. Walters and Mr. Orringdorf of the State Property Evaluation Department to see if there was some means of equity we could devise. They were sympathetic that it wasn't fair but they smiled and said "sorry, that's one we can't help with, the statute is specific." We talked to legislators who have felt it isn't fair.

Getting the data as to the former use of C.R.P. land, that is dry or irrigated, was not easy. To see how much land in Gray Co. was involved, in June we asked the A.S.C.S. office if they could tell us about the acres enrolled in C.R.P. They said they'd try to find a means to let us know. We got their information about 1 December and a bill for \$142.00. They gave us xeroxed copies of the aerial maps they have and the descriptions. However, they had no differentiation of irrigated or dry land. Our appraiser's office had to go through the parcels designated by A.S.C.S. which defined the acres dedicated to C.R.P., then compare those involved acres to our county appraisal maps to determine the former irrigated and dry land usage. This is the way we determined the 8,620 acres of irrigated and 24,143 acres of dry land for a total of 32,763 C.R.P. acres.



PUBLIC POLICY STATEMENT

SENATE COMMITTEE ON ASSESSMENT AND TAXATION

RE: S.B. 572 - Concerning valuation of irrigated land in CRP

February 13, 1990
Topeka, Kansas

Presented by:
Paul E. Fleener, Director
Public Affairs Division
Kansas Farm Bureau

Mr. Chairman and Members of the Committee:

My name is Paul E. Fleener. I am the Director of Public Affairs for Kansas Farm Bureau. We appreciate the opportunity to make very brief comments on S.B. 572. We come as a proponent of this measure.

When use value appraisal language was added to S.B. 164 in 1985 as you developed the plan for the statewide computer assisted mass appraisal you indicated agricultural land would be valued on its income or productivity "attributable to the inherent capabilities of such land in its current usage ... " In 1987 you amended that law so that many counties which were by then experiencing significant acreage enrollments in the CRP would not lose tax base by having CRP ground valued as pasture or grassland. The amendment indicated that such CRP ground would be valued at its use "immediately prior to being subject to such program."

Senator Frahm's proposal ... S.B. 572 ... brings a measure of equity to yet another type of agricultural land ... irrigated land. Her proposal would have that irrigated land which is enrolled in CRP valued as dryland. Mr. Chairman we support this concept. Thank you for the opportunity to make these comments.